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American Civil Rights in a Revolutionary Age

I. Ideological Background

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The first of three articles on civil rights

SINCE the establishment of the Communist government in Russia in October, 1917, the world has been passing through a revolutionary age. The Bolshevist Revolution was followed five years after by the Fascist uprising in Italy under Mussolini. Ten years later Hitler was able to set up the National Socialist government in Germany. To be added to the list are the Franco regime in Spain, that of Pétain in France, and other revolutionary systems which have appeared temporarily in some smaller countries. While the ideology underlying developments in Japan was in some respects akin to that of the totalitarian regimes, it cannot rightly be designated as revolutionary, inasmuch as no marked change with the past was involved. The problem Japan has presented to democracy, however, has not on that account been less difficult.

The term "revolutionary" permits various specific interpretations. By some it is restricted to the attempt at political change by violent means; to others, such an attempt by illegal means alone would be revolutionary; while to still others, any "material or entire change in the constitution of government" would be a revolution. Implicit in all these definitions is the idea of deep and fundamental political change—so deep and fundamental that, in most instances, it cannot be accomplished by ordinary constitutional means. In this discussion, the term will be used in the broadest interpretation, as covering not only violent and illegal change, but also the establishment of regimes whose underlying ideologies and whose resulting institutions were, and are, inherently contradictory to and irreconcilable with those of the democratic system (in the non-Soviet use of that word).

At the core of all the revolutionary changes since 1917 and of their conflict with existing systems, lies the problem of individual rights. Fundamental to all the revolutionary regimes has been an essentially different concept of the individual and his rights from that on which the Western, and to some extent the Eastern, civilization of the nineteenth and early twentieth centuries had been based.

According to the democratic ideology, man is recognized as a rational and moral being, and reason, operating through free discussion, is relied upon as a guide to truth. As a necessary corollary, it has been maintained that the intellectual freedoms—speech, press, religion, association, and assemblage—must be protected against governmental interference. In some countries, such as the United States, these liberties have been constitutionally guaranteed against all branches of the government—legislative, executive, and judi-

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cial; in others, against only the governmental organs outside the legislative. Because of the importance of the individual in the democratic concept, and as a more effective protection for the "rights of the mind," in the words of Thomas Paine, democratic constitutions have commonly provided further procedural guarantees in the form of requirements for, and restrictions on, court procedure with regard to witnesses, testimony, jury trial, and the like. The "due process" clauses in our national Constitution and somewhat analogous provisions in some other constitutions have pointed in the same direction.

The restrictions laid down in democratic constitutions against governmental interference with these personal liberties have not meant that democratic governments have made no attempt whatever to control their exercise. In the United States, Congress has passed at various times restrictive legislation; and although state constitutions contain prohibitions on government in these respects similar to those in the national Constitution, state legislatures have done the same. Such congressional legislation has usually been in the interest of political security, although both Congress and the state legislatures have on occasion legislated in behalf of what they have considered to be social welfare. All such legislation has been liable to court review, and in each instance it has been for the courts to decide whether constitutional limits have been observed.

In dealing with these matters, the courts have made a distinction between words in themselves harmful and those not harmful in themselves but which may lead to harmful acts. In the first category are words "slanderous, libelous, indecent, and blasphemous," and since the matters here indicated fall under the jurisdiction of the states, it has been in general the states that have legislated concerning them. The courts have upheld much of this legislation as not in violation of constitutional guarantees. The words in these cases have in effect been adjudged themselves to be harmful acts.

An especially difficult problem has presented itself in the case of "seditious words" or "words which advise illegal resistance to law, changes by illegal means in the existing form of government, or interference with the execution of its policies." At what point, if at any, do such words become so compelling as to be in themselves harmful acts? Great controversy has raged over this question. The American constitutional doctrine may best be summed up in the words of Oliver Wendell Holmes who delivered the opinion of the Supreme Court in the cases of Schenck v. United States and Baer v. United States: "The question in every case is whether the words are used in such circumstances and are of such a nature as *to create a clear and present danger* (the italics are mine) that they will bring about the substantive evils that Congress has a right to prevent"—in this instance, harm to the government and state through obstructing the recruiting and enlistment service of the United States while the country was at war. It will be recognized that this settles the problem only relatively—that there may still be great difference of opinion even among the judges as to what words do in fact create a "clear and present danger."

Beyond the limits of such words, the United States has held that the word can be separated from the harmful act, and any attempt to suppress, or to force, the expression of thought and opinion has had to justify itself before the constitution of nation or state. The democratic concept of man and the consequent reliance on reason and free discussion have made democracy everywhere essentially tolerant of ideas as calculated to make a contribution to truth, and essentially non-aggressive.

A quite different situation has existed under totalitarianism and Russian Communism. In neither of these ideologies does man appear as a rational and moral being, capable of arriving at truth through free discussion. Intellectual freedom is, therefore, without importance, and since the conclusions arrived at from free discussion might differ from the tenets imposed by those in control, such freedom does not exist. Effective constitutional guarantees for intellectual rights have been lacking in systems existing under these ideologies. The Constitution of the U.S.S.R. declares, for example, "In accordance with the interests of the toilers and *in the object of strengthening the socialist system* (the italics are mine), the citizens of the U.S.S.R. are

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guaranteed by law (a) freedom of speech (b) freedom of the press (c) freedom of assemblies and meetings (d) freedom of street processions and demonstrations." The fact that the Soviet Constitution guarantees to citizens of the U.S.S.R. what appear on paper at least to be far reaching social benefits and economic securities—which, together with the abolition of private capital, make of the U.S.S.R. a "democracy" in Stalin's use of the term—must not blind us to the great restrictions placed in the Constitution on intellectual rights. It requires that opinions expressed must be within the frame of reference of Soviet Communism. Legislative restrictions imposed upon intellectual rights have been correspondingly great.

The presumption made by the democracies that there is an area of basic political thought and its expression which can be separated from direct political action is not accepted by totalitarianism and Russian Communism. Mussolini declared in his article on the Political and "Social Doctrine of Fascism" in the *Enciclopedia Italiana:* "It is the State which educates its citizens in civic virtue, [and] gives them a consciousness of their mission. . . . It is the force which alone can provide a solution to the dramatic contradictions of capitalism. . . . For Fascism the growth of empire, that is to say the expansion of the nation, is an essential manifestation of vitality."

In the "racial myth" of National Socialism is to be seen perhaps the closest integration of political thought with direct action. The doctrines of the fundamental "racial" differences among men, the "racial" superiority of the Nordics, and the allied doctrine of the German *Volk* as an entity in its own right and existence, quite naturally carried with them the fundamental principle of the necessary establishment of German power over all Germans everywhere.

The doctrine of the World Revolution of the proletariat was an integral part of the early Russian communist ideology, as can be seen in the Proceedings of the earlier Congresses of the Comintern (the Third or Communist International), in which the Soviet Communist Party was dominant. Following what he believed to be the teachings of Marx, Lenin declared at the Second Congress: "If you (the deputies assembled) will help us to accomplish this (the uniting of the proletarian armies into a single force) then nothing . . . will prevent us from . . . leading on to the victory of the world revolution and to the establishment of an international proletarian Soviet Republic." In the Program, Statutes. and Theses of the International Congresses of the Communist Party it is declared that:

> only a violent defeat of the bourgeoisie—the annihilation of their entire government apparatus from top to bottom . . . . only such measures guarantee complete subjugation (to Communism). . . . The object of the struggle which must inevitably turn into civil war is to obtain political power. Eventually the proletariat must resort to armed uprising. . . . Unless the bourgeoise system is overthrown, the repetition of war is inevitable. To overthrow the international bourgeoisie and create an international Soviet Republic, all means will be used including force of arms.

In the opinion of some students of the U.S.S.R. and the communist movement, world revolution was gradually abandoned as an objective by the Comintern during the years from 1921 to 1935; and, especially in the face of the Hitler peril, there was substituted for it the "defense of democracy against war and Fascism."

The Comintern was declared abolished in 1943, "thus freeing," according to the announcement of the Presidium of the Executive Committee, "its sections from their obligations arising from the statutes and resolutions of the Congresses of the Communist International." It is also interesting to note that the Presidium called on all supporters "to concentrate their energies on the wholehearted support of the active participation in the war of liberation of the peoples and states of the anti-Hitlerite coalition for the speediest defeat of the deadly enemy of the working class—German Fascism and its associates and vassals." The American Communists announced their dissolution as a political party in 1944. The party was re-established, however, on July 27, 1945.

Since 1943 the remarkable similarity between the Communist Party line of the U.S.S.R. and that of other countries, including the United States, has led many to question whether the dissolution of the Comintern did really exist in the realm of fact. From

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September 21 to 28, 1947, there was held in Poland a conference of representatives of the Communist Parties of nine European countries at which it was resolved that:

> the Communist parties should place themselves in the vanguard of the opposition against the imperialistic plans of expansion and aggression in all its manifestations whether in the sphere of state administration, politics, economics, or ideology and they should at the same time unite and coordinate their efforts on the basis of a common anti-imperialistic and democratic platform as well as gather around themselves all democratic and patriotic forces in their respective nations . . . . if they know how to fight against attempts at the economic and political subjugation of their countries . . . . then and then only no plans to subjugate the countries of Europe and Asia can succeed.

Closely associated with the question of an ideological integration of theory with direct action, or the reverse, is the place of the party in the political system. Because democracies have believed in the necessity of thought and discussion, they have been used to tolerating, even to welcoming the existence in their midst of various and varying political parties. These have existed as extra-constitutional groups, each one held together, it has been assumed, by common tenets which should be made effective by methods of persuasion and by the election of their representatives to office. Each party has been expected to operate only within the state to which it has belonged, and all parties have been assumed to rest on the same fundamental premises.

An entirely different situation has existed under totalitarianism and Russian Communism. Under both of these systems, because the ordinary man has not been considered capable of thinking effectively on important political matters, and because those in power have been unwilling to have the imposed ideology questioned in any important respect, only one political party has been permitted to exist in a given state. In these one-party regimes, the party has functioned as the direct agent and organ of the state—through which in largest part the ideological activities of the state have been directly carried on.

These activities have admittedly not been those of discussion and persuasion alone, nor have they been restricted to the countries to which the parties have respectively belonged. The Italian Fascist Party and the German National Socialist Party had cells in other countries which acted under instructions from the parent organizations. The Communist parties in various countries were sections of the Comintern, and acted under its instructions. The instructions of all the parent organizations had, moreover, clearly to do with local conditions and political situations within the various countries concerned.

The fact that the non-democratic regimes have been thus active and aggressive in the international sphere has projected the problem of individual rights into the area of international relations. Although in those relations as they exist today the desire for national expansion, and its inevitable consequences in the game of power politics are still clearly evident, that game is rendered many times more acute by reason of the fact that it is conditioned by fundamental ideological differences and resulting differences of practice, most markedly perhaps with regard to the concept and the treatment of the individual. To many, these ideological differences are of much greater significance than the struggle for power in and for and by itself; and their significance is heightened by the fact that the ideological issues involved are not being fought out in the realm of ideas alone, but have become matters of high state policy. The problem though international in this sense, however, cannot, for the reasons set forth in this paper, be resolved on the international level alone, as could problems of power politics in earlier days.

Because the world—or even the democratic world—is not politically united, as the communist world bids fair to be, the solution of the problem of individual rights must for the present be sought in largest part within the existing political units. It must be remembered, nevertheless, that while this is unfortunately the case, the situation with which we are faced is one that approaches a world wide civil war—civil war has been traditionally ideological war—and that as such it cannot be met by the normal methods of peace alone.

[*In the two following articles, Miss Ellis will discuss congressional investigations and the problem of loyalty.*]

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A corrective for our popular picture of China

China Rediscovered: A PERSONAL REPORT

BY NO-YONG PARK

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WHILE in America during the war, I had to rely mostly on books, magazines, and newspapers for news about China. But my personal investigation of the affairs of China has convinced me that all I had read, heard, and taught in America is wrong!

Consider, for example, the report that the Chinese are resorting to unfair discrimination against foreigners to liquidate foreign interests. Having read much about it in America, I asked a number of prominent foreign business men in Shanghai, if they had suffered any discrimination. All of them replied "No." They explained to me that what they suffer is only part of what the Chinese themselves suffer and that no discrimination, official or otherwise, has been invoked against foreigners in particular.

One morning I read an editorial in one of the foreign language newspapers. It bluntly declared that there is discrimination against foreigners, whether the discrimination is official, semi-official, or unofficial. The editorial, however, failed to give specific illustrations to uphold its contention. So I called on the editor and asked for further explanation. He told me that he could not import a printing press and papers from England and America because of discrimination against foreigners. But when I talked with Chinese business men, they made the same complaints about the difficulties which they had experienced. In fact, many native business men complained against the government restrictions far more bitterly than the foreigners. Some of them told me government restrictions ruined their business to such an extent that they had to resort to smuggling to make both ends meet.

It should be pointed out, however, that foreigners suffer more than the Chinese and, therefore, they deserve special consideration. The foreigners suffer more than the natives because the Chinese are used to suffering all kinds of calamities while the foreigners, enjoying special privileges, have not experienced the same hardships.

All the complaints made by both native and foreign businessmen are not unlike the complaints made by the American businessmen against the war-time restrictions imposed upon them by their own government. They are mostly about red tape created by governmental regulations.

The stories of anti-American agitations which were widely reported in America were likewise proved false. In all my travels I have not yet heard an uncomplimentary remark, official or unofficial, against the United States. On the contrary, the people hold a sort of religious reverence for America and all things American.

The American movies draw a capacity crowd. The cafes serving Western dishes are well patronized. Night clubs where American music is furnished are packed to capacity. The shop windows are bulging with American goods of all kinds.

I have talked with scores of young men. Their highest ambition is to go to America,

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learn the American way of doing things, and help reconstruct their country. In a way, there is a danger of over-worshipping America rather than undermining American friendship. One afternoon I was talking with a dozen farmers gathered around a shady tree. It was in a remote village in northern Kiangsu and the people have heard very little about foreign countries. I asked them if they had heard about America or Mei Kuo. All replied that they had. I asked them if they had heard of President Truman and President Roosevelt. They said "No." I asked them if they had heard of Mae West and Clark Gable. They also replied "No." Then I asked, "What kind of a country do you think America is?" One farmer promptly commented: "America and China are like brothers under one roof." All others concurred with him.

AMERICANS IN CHINA

Because of this deep-seated reverence and friendship for America, both the Japanese and the Communists have failed to rouse China against America. Other things being equal, there is less danger of an anti-American trend in China than there is of an anti-Chinese movement in the United States where many returned G.I.'s and the embittered "old China hands" spread a good deal of unfriendly feeling against all things Chinese.

The service men saw China at her worst. Most of them, though not all of them, were fed up with China and everything she stands for. The "old China hands" lost their fortunes and privileges during the war and are bitter and resentful of the Chinese. Both speak with authority by virtue of their having been in China and, therefore, what they say is taken seriously by the American people. If their points of view should prevail, the Chinese at home and abroad will receive little sympathy from America.

It is wrong to present China as a totalitarian state ruled by Hitler-like gangsters. My examination of the governmental set-up from the highest to the lowest shows that there is a considerable element of democracy in all stages. Even if the political set-up is brushed aside as a window dressing, to cover up the dictatorship of the Kuomintang, there are many other signs of democracy, which go far deeper than the superficial manifestations of the political system. For example, there is little fear and suspicion between the leaders of the government. Chiang Kai-shek is not afraid of conspiracy by his followers. Nor do his associates or the independent leaders fear purge or execution before a firing squad. This single fact alone distinguishes Nationalist China from a totalitarian state.

Another sign of democracy is found in the newspaper boys on the streets or on the trams. They carry not one official newspaper, as in the totalitarian states, but dozens of different papers. Nanking alone has over 20 daily newspapers and Shanghai over 40. While three newspapers in Shanghai were suspended for inciting student uprisings, most newspapers have not experienced such regulation.

Once I read a hostile editorial against the government in a foreign language newspaper. I called on the editor and asked if it was the first time he had written such an editorial. He told me he had been doing it for a long time. I said that it alone indicates that there is some freedom in China which cannot be found in a totalitarian state. He added hastily that because his is a foreign language newspaper it enjoys greater freedom than does the native press. Since then I have talked with scores of native editors, most of whom have criticized the government at one time or another without penalty.

Another sign of democracy is that the people's mouths are not sealed. They talk and talk freely without apparent fear. Recently a friend of mine in Nanking told me that I would not be able to hear the farmers' point of view because they would be afraid to talk. My main difficulty was that I could not stop them from talking. They talked freely on all subjects without the suspicion that some secret police might be listening behind the wall.

Perhaps one of the most impressive signs of democracy is found in the food market. You turn off the main highway and enter any side street where provisions are sold. There are no long lines formed by the housewives waiting for their turns to secure a pound of food from one or two stores operated by the state. There are literally thousands of buyers and sellers, who are all scrambling for a

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bargain. Each seller or buyer is free to buy or sell to whom he pleases. No one is obliged to buy or sell under the threat of penalty from the government or business magnates.

It is a fact that the Nationalist government has wielded the powers of a totalitarian state and has suppressed the freedom of the people intolerably. But one must realize that China has been at war for 20 years and that no government can function without restricting the freedom of individual citizens when it is engaged in a desperate struggle for existence against powerful enemies at home and abroad.

To those who still wonder whether the Nationalist government is totalitarian or democratic, I would suggest the reading of some foreign language newspapers published in China. Day after day and week after week, these newspapers heap one insult after another against Chiang's government, but they are still free to continue their campaign of insult and slander without restrictions. Certainly no totalitarian government anywhere would have tolerated such nonsense.

ECONOMIC REFORM

It is likewise fallacious to brand the Nationalist government as fascistic and reactionary, dominated by ultra-conservatives who are hell-bent on preserving a feudal system. Chen Li-fu, who has been presented throughout the world as an arch enemy of all reforms, is one of the most ardent reformers I have met. He vowed repeatedly his determination to carry out the program of reconstruction as laid down in Sun's Three People's Principles. Having found no trace of conservatism of any kind, I asked him how it happened that he has been presented as the chief obstacle to all reforms. "It is all Communist propaganda," he explained. "As I am their Number One enemy, they naturally present me as Number One reactionary and fascist." After exchanging views with a number of top men in Nanking, I could not help concluding that the Nanking government is a hot bed of dangerous radicals and leftists rather than a citadel of conservatism and reaction. Had President Truman and his cabinet ministers talked and acted as the Chinese are doing in Nanking, they would have been ousted from the government as socialists and communists.

The Chinese leaders at Nanking believe that heavy industries must be developed by the state, not by the private industries. They believe in preventing big business monopoly by developing industrial cooperatives. They believe in eliminating big land holdings by aiding the farmers to purchase lands through the Farmers' Bank of China. They have already advanced loans through the Farmers' Bank amounting to more than 600 billion Chinese dollars. They have already created over 160,000 cooperatives with a combined membership of 20 million people.

Li Ching-chia, Minister of Land Administration goes even farther toward radicalism than this. He told me that his ultimate personal goal is to make Chinese farms like the huge American farms. Instead of reducing them to small patches, he would combine the small farms and make big ones, so the farmers can cultivate these areas together. When I remarked that it sounded like the collectivization of farms in Russia, Minister Li frankly admitted that there is no conflict between the highest ideals of communism and the highest ideals conveyed in the Three People's Principles, which are the guiding principles of the present government. He hastened to add, however, that the methods of bringing these ideals into realization are different.

PEASANTS

It is likewise fallacious to maintain that the Communists have done much for the peasants while the Nationalists have only exploited and oppressed them. What I found on my recent visit to northern Kiangsu which was long under Communist occupation proves the contrary. The farmers and the peasants who had tilled the lands given by the Communists told me that they were worse off under the Communists than they were under the Nationalists or the Japanese. Their taxes to the Communists were twice as high as before. In addition to paying taxes, they were obliged to make "voluntary" contributions which were much greater than the rents they had formerly paid to the landlords. After paying the taxes and contributions, the farmer's share was no more than 25 per cent of the yield. Furthermore, the peasants were obliged to serve as stretcher bearers, to serve in the local militia,

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and to fight for the Communist army. It is little wonder then that thousands of poor peasants fled from Communist areas and joined their erstwhile landlords in countless refugee camps in the Nationalist territory.

The Nationalist agrarian program promises definitely more than anything which the Communists can ever hope to give. Minister Li explained to me that his government's land policy is to reduce the rent on farm lands to eight per cent of the land value where the price of the land has been fixed. Where the price of land has not yet been fixed, the rent should not exceed 37.5 per cent of the total yield. In the areas which have been taken over from the Communists, the rent is one-third of the total yield. In most of the areas which I have visited, the farmers pay only one-third of what they produce. In other areas, the tenants usually pay their landlords 40 per cent of the yield. In Szechwan Province where one main crop and four minor crops are cultivated annually, the tenant pays 80 per cent of the principal crop and retains all the minor crops. When all things are considered, the Chinese farmers in many areas are getting more of what they produce than do some of the American share-croppers.

Though earnest and enthusiastic, the government leaders have so far failed to make much progress with reform and reconstruction. Several things are responsible for this unfortunate situation. One is the war with the Communists. When a government carries out a life-and-death struggle with its rebels, no reform measures can be executed with efficiency. The other is the lack of means of carrying out any program at all. Long years of war with the Communists and the Japanese has left the country poor, wretched, and utterly disorganized. Certainly no government, however efficient and however willing, can be expected to perform miracles.

Mayor K. C. Wu of Shanghai is considered by both natives and foreigners as the best man for his position. He has a 25-year plan to convert Shanghai into one of the most modern cities in the world. But he has not gone far with his plans. "If I had one-tenth of what the mayor of Chicago or New York has," he said, "I could do as well as any mayor in the world." He probably can do what he said he can, but he has no means of doing much of anything.

Chinese officials are like cooks who are faced with the task of preparing a meal in an empty kitchen. However efficient and however willing, no cook can prepare a good meal without fuel, without provisions, and without all the necessary seasonings. The condemnation of the Chinese government and its officials for their failure to execute a program of reform and reconstruction is like condemning a cook for his failure to prepare a good meal in an empty kitchen.

After reading all the unfavorable reports branding the Nationalists as corrupt, inefficient conservatives and reactionaries, I could not believe my own eyes. If what I saw is right, all that I have read in American books, magazines, and newspapers cannot be right. Assuming what I saw is closer to truth, I cannot help wondering what has caused the propagation of all the malicious propaganda against the Nationalists in China. It may be due partly to the skilful propaganda of the Communists, but the Communists could not have been so successful had they not had the cooperation of the foreigners in China whose words carry more weight than theirs.

The foreigners in China had always enjoyed special privileges and had lived there as a privileged class. But they lost their special privileges during the war and now, for the first time, they are forced to suffer all the misery and red tape which the natives alone have suffered. They naturally blame the Nationalists for their present plight. This anti-Nationalist sentiment among the foreigners in China has found its way to all or most of the foreign publications abroad because the foreign correspondents invariably come in contact with their own people and color their reports with the prejudice of the old-timers.

Furthermore, most American publishers are of European extraction. They feel more keenly about the sufferings of their own brethren across the Atlantic than they do about the distant Chinese across the Pacific. Just as they said "Hitler—first, and Tojo—next" during the war, they now appear to have adopted the same course—help Europe first with what they can spare and help China next with what is left.

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To insure the adoption of this course by their country, they tell their people that the Chinese cannot carry out reform and progress because they are corrupt and inefficient, whereas the Europeans cannot even stand on their own feet because they are exhausted by the war. They conveniently overlook the fact that the Chinese have suffered from war many years longer than the Europeans, and that they still are suffering. They also conveniently fail to report that Russia has a hand in the Chinese civil war, although they cry for help for Europe to check the Russian menace.

Whether it is due to their prejudice, misunderstanding, or deliberate distortion of facts, the foreign reporters and associates abroad play into the hands of the Communists when they attack the Nationalists as reactionaries and fascists. They are helping the Communists destroy the Nationalists just as they have helped crush the democratic forces in Eastern Europe. They are in reality advocating the repetition of the tragedy of Yugoslavia, the tragedy which sacrificed Mikhailovitch for Tito.

It is gratifying to note, however, that the United States decided at the special session of the Congress to ignore the unfavorable propaganda against the Nationalists and to adopt a policy, which, if executed vigorously, might help save China from the fate of Yugoslavia.

No intelligence test ever equalled marriage. *Banking*

A Negro boy, going through a cemetery, read this inscription on a tombstone: "Not dead but sleeping." The lad scratched his head a while and remarked to himself: "He sho' ain't foolin' nobody but hisself." *Cactus News,* Southwest Petroleum Company, Inc.

A rural teacher ended a discussion of proper nutrition by saying earnestly to the children of the dairying community, "And now, boys and girls, will each of you please try to drink at least a quart of milk each day?"

There followed a shocked silence which was finally broken by the oldest boy. "Why, teacher," he said reprovingly, "we ain't hardly got enough milk for the hogs!"

—Harold Benjamin, *Survey Graphic*

Wendell Phillips was the most polished and graceful orator our country ever produced. He spoke as quietly as if he were talking in his own parlor and almost entirely without gestures. He had great power over all kinds of audiences.

One illustration of his power and tact occurred in Boston. The majority of the audience was hostile. They yelled and sang and completely drowned his voice. Phillips made no attempt to address the noisy crowd, but bent over and seemed to be speaking in a low tone to the reporters who were seated near the platform. The curiosity of the audience was excited; they ceased to clamor and tried to hear what he was saying to the reporters. Phillips looked at them and said quietly:

"Go on, gentlemen, go on. I do not need your ears. Through these pencils I speak to 30 million."

Not a voice was raised again.

—Speakers' Library

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A summary of its progress thus far

THE MARSHALL PLAN: Second Phase

By SIDNEY B. FAY
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IN a message to Congress on December 19, 1947, President Truman submitted a very careful and comprehensive European Recovery Program (E.R.P.). This historic document embodies the second phase of what is, and will probably continue to be, known as the Marshall Plan, since it took its inspiration from Secretary Marshall's address at the Harvard Commencement on June 5. It can determine whether the free countries of Europe will be able to enjoy some measure of economic recovery and preserve their heritage of freedom. "If Europe fails to recover, the peoples of these countries might be driven to a philosophy of despair which contends that their basic wants can be met only by the surrender of their basic rights."

Drawing upon the Paris Report of the 16-nation Committee of European Economic Cooperation (C.E.E.C.) stating Europe's needs, and upon three American committee reports on our resources for meeting these needs, the President presented an integrated and boldly conceived plan "to carry out wisely and efficiently this great enterprise of our foreign policy."

Almost at the same time, Secretary Marshall, returning from the unsuccessful Four-Power Conference in London, told the American people why E.R.P. should have prompt and favorable consideration. The war has created a political vacuum in Europe. If that vacuum is not to be filled by an expansion of Russian totalitarianism, it must be filled by the restoration of a healthy European community. "The Soviet Union has recognized this situation in its frank declaration of hostility and opposition to E.R.P. The success of such a program would necessarily mean the establishment of a balance in which the 16 Western nations, who have bound their hopes and efforts together, would be rehabilitated, strong in forms of government which guarantee true freedom, opportunity to the individual, and protection against governmental tyranny. The issue is really clear cut."

E.R.P. will be not only the most important piece of legislation with which Congress will have to deal in the next months; it is also one of the most important problems facing the whole world. It is like the solution of a gigantic mathematical equation of needs and resources—of demand and supply. There are many x, y, and z factors in the equation: how good will the harvests of the next years be; how far will E.R.P. affect American prices and the standard of living; how efficiently and cooperatively will C.E.E.C. countries do their part; and how soon will Russia and her satellites begin to turn from the economic isolation of the Molotov Plan to economic cooperation with the rest of the world.

Congress will very properly want to debate all these and many other factors at length. But there is danger that for political or other reasons, figures will be misinterpreted, and minor points exaggerated, so that there will be a tendency to lose sight of the over-all great objective. This objective can best be effected by a substantial adoption of the Truman program, without too much whittling and tinkering.

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Following Secretary Marshall's Harvard Commencement address, the invitation from Bevin and Bidault for a conference at Paris, and Molotov's rejection of cooperation, economic and statistical experts from 16 European nations met in Paris in July. They gathered from their own countries an immense amount of information as to their needs, their resources, and the extent to which they could be increased by cooperation during the four years 1948-52, and the amount of outside aid that they would require from the United States and the rest of the world. The work of the Committee was completed in two months and embodied in the 25,000-word Paris Report. It was published in part in *The New York Times* on September 24, 1947, and later in full by the Government Printing Office with detailed statistical tables.

In view of the immensity of the material and the forced speed at which it had to be gathered and coordinated, it is natural that there are some incongruities and inconsistencies in the Report. The tonnage figures for hard coal and lignite, for instance, are lumped together, although lignite has only a quarter of the caloric value of hard coal. Western Germany in some respects is treated as a cooperating country, and in some respects excluded. Germany's economic recovery, though so important to Europe as a whole, is subordinated to the recovery of her neighbors. The Report is also probably too optimistic at some points. Nonetheless, it is a remarkably able and hopeful document.

The C.E.E.C. concentrated its attention on seven major items and set targets for their production which would equal or exceed by a certain per cent the production of 1938:

(1) *Food.* Restoration of pre-war bread grain and other cereal production, with large increases above pre-war in sugar and potatoes, some increases in oils and fats, and as fast an expansion in live-stock as supplies of fodder will allow. Fish supply has already reached its pre-war level. Even if these targets are reached, however, and even with the food imports requested, the per capita food supply in 1951 will still be about 10 per cent below that of 1938. The reason for this, in part, is that an 11 per cent increase in population is expected in the C.E.E.C. countries during the four years.

(2) *Coal* has been the bottleneck of bottlenecks in European recovery, owing to the great decline in British and German output. These two countries showed a very encouraging pick-up in the second half of 1947. By 1951 coal output is scheduled to reach 584 million tons, 105 per cent of the pre-war level.

(3) *Electric power,* which actually increased during the war, is planned to be expanded by 70 billion kilowatt hours in 1951, 166 per cent of the pre-war production.

(4) *Oil refining capacity,* partly because of the tight coal situation, should reach 70 million metric tons annually, or 2½ times as much as in 1938. The supply of crude oil will come mainly from the Middle East.

(5) *Steel* production is to reach 55,400,000 tons in 1951, or 166 per cent above 1938 production. France and Belgium will largely make up for the cutting down of Western German production by almost one-half, from 20.8 million tons in 1938 to 12.7 million tons in 1951.

(6) *Inland transport*—railroads, waterways, and highways—is to be expanded to carry 25 per cent more freight than in 1938. This will be partly supplied, especially in the first years, by 152,000 trucks and 26,000 freight cars from the United States.

(7) *Merchant shipping,* to replace the 22 million tons of shipping lost by the C.E.E.C. countries during the war, is to be restored to the pre-war level.

To aid in this recovery program the C.E.E.C. Report calls for commodities from the United States, from the rest of the Western Hemisphere, and from the rest of the world valued in billions of dollars—at prices as of July 1, 1947—in the following amounts:

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	From United States	From rest of America	From rest of world	Total
1948	$6.0	$3.2	$4.7	$13.9
1949	5.3	3.9	5.4	14.5
1950	4.8	3.8	5.9	14.5
1951	4.3	3.9	6.2	14.4

Thus, while import requirements from the United States start out quite high, as we are the richest country in the world, they drop gradually through the next three years, while European imports from the non-American parts of the world gradually rise. At the end of the four years, Western Europe's import relations with the outside world will have moved back part way toward the pre-war situation—but not all the way. The Western Hemisphere's share of total imports into Western Europe will still be 57 per cent as compared with the pre-war 45 per cent. But Western Europe will have so recovered that it will normally have developed exports to pay for its needed imports of food, raw materials, and other commodities.

Some of the principal items which the United States is asked to contribute to E.R.P., either directly or by supplying the purchase price, are the following commodities valued in billions of dollars at July 1 prices:

	In 1948	In 1951	Total 1948-51
Food and fertilizers	$1.5	$1.2	$5.4
Coal	0.3	0.05	0.7
Petroleum products	0.5	0.55	2,2
Iron and steel	0.4	0.3	1.2
Timber	0.1	0.1	0.4
Equipment	1.1	0.6	3.3
Other imports (mostly raw materials)	2.1	1.5	7.3
Totals	$6.0	$4.3	$20.4

On June 22 President Truman announced the creation of three committees to study the whole E.R.P. problem from the American angle, especially the resources of the United States and the extent to which we could grant aid without seriously impairing our own economy.

The first committee, under the chairmanship of Secretary of Interior Krug, made an inventory of our national resources to see how much we could export without dangerously depleting our own supplies.

The second committee, consisting of the President's Council of Economic Advisers, under the chairmanship of Dr. Edwin C. Nourse, analyzed the impact on our national economy of aid to other countries.

The third and most important committee, under the chairmanship of Secretary of Commerce Averell C. Harriman, was made up of a non-partisan group of 19 distinguished civilians—businessmen, lawyers, agricultural experts, labor leaders, economists, and administration experts. It eventually took the conclusions of the other two committees in addition to its own investigations, cast up the balance, and issued its report on November 8. It scaled down some of the estimates of the Paris C.E.E.C. Report, reduced the requested aid on some commodities in short supply in the United States, and suggested detailed plans for administering and controlling efficiently the aid granted.

On the basis of the findings of these committees, which were favorable to a large grant of aid to Europe, the President drew up the recommendations which he sent to Congress on December 19.

In addition, another committee, authorized in July by the House of Representatives and composed of 19 of its members, was inspired by its Chairman, Representative Christian A.

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Herter, of Massachusetts. It went abroad for an intensive on-the-spot study of the problem, dividing into sub-groups on various aspects of the question. In four weeks its members accomplished a survey of the European situation remarkable both in speed and thoroughness. It then settled down in Washington to digest its tons of material in order to give Congress independent and intelligent advice when Congress was asked to act on the President's recommendations.

PRESIDENT TRUMAN'S RECOMMENDATIONS

The second phase of the Marshall Plan embodies President Truman's recommendations to Congress in his message of December 19. They deal mainly with three questions: the amount of aid to be granted, the measures for assuring its efficient and successful expenditure, and its administration.

The President asked Congress to authorize the approval of $17 billion over four and a quarter years. He asked that 6.8 of this sum be voted for the 15 months from April 1, 1948, to June 30, 1949, and estimated that 10.2 might be asked for during the next three years.

The President distinguished, without going into detail until later, between aid which is to be given outright, especially for food and fertilizers, and loans which are to be made for industrial developments and which should be repaid in various ways as the industrial undertakings gradually show earning power. Part of the financing would be done from unspent credits, by the World Bank, and by private loans, the latter increasing, he hoped, as private bankers see increasingly that Europe is a good risk under E.R.P.

The President's recommendations for seeing that the aid is used efficiently follow a series of pledges which the C.E.E.C. nations made in their Paris Report. These will be embodied in bilateral agreements between the United States and each receiving country. Among other things each country will agree to stabilize its currency, establish and maintain a proper rate of exchange, and generally restore confidence in its monetary system. Each will cooperate with the other C.E.E.C. countries to reduce barriers to trade among themselves and with other countries, in order to stimulate an increased exchange of goods and services. Each will agree to facilitate the procurement of a reasonable excess of raw materials by the United States for stockpiling in this country.

Each participating country will also deposit in a special account the local currency equivalent of aid furnished in the form of grants, to be used only in a manner mutually agreed upon by the two governments. One way in which it might be used would be to withdraw it from circulation, thus reducing excessive paper money, lowering prices, and strengthening monetary stability.

Each country, finally, will publish domestically and furnish to the United States appropriate information concerning the use made of our aid and the progress made under the agreements with other participating countries and with the United States. We retain the right to determine whether aid to any country is to be continued if our previous aid has not been used effectively.

For the administration of the aid—the procurement, allotment, and transportation of the supplies—the President suggests the establishment of a new and separate agency, the Economic Cooperation Administration. It would work closely with the Department of State and the other government departments, using their existing facilities. The administrator at its head would be subject to the Secretary of State, and our ambassador in each country abroad would retain responsibility for all matters requiring contracts with the government to which he is accredited, including operations under E.R.P. This plan of administration has many advantages, but it is likely to meet with much criticism by Congress. Congress may want to have a more direct share in and control over the administration, especially as the Republicans are now in the majority and the President's set-up of the Economic Cooperation Administration seems to place it under Democrats.

Such in brief outline is E.R.P. at present. Will it work? Will it save Europe? One cannot answer categorically. It is easier to see what will happen if we neglect our opportunity. Europe is likely to be swept far from the foundation upon which its civilization has been built.

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More Than

FIFTY YEARS OF FORUM

Twice before, in the lifetime of FORUM, our concepts of civil liberties have been challenged by those who would advocate their destruction. The way we have met this challenge has varied with our degree of security, real and imagined.

In 1886, H. C. Adams replied to the question: "Shall We Muzzle the Anarchists?":

I cannot think that the events which have lately occurred show that the doctrine of free speech, which properly understood is the doctrine of responsible speech, exposes society to unnecessary dangers, or that established criminal procedure is unable to cope with such dangers as exist. At least there is no modification of the system with which we are familiar that does not look toward the adoption of police surveillance as practiced in continental Europe. To say nothing of its influence on character, it is quite doubtful if Americans would submit to the petty annoyances necessary for rendering police surveillance effective.

In 1920, Attorney-General Mitchell Palmer constructed "The Case Against the 'Reds'":

Like a prairie-fire, the blaze of revolution was sweeping over every American institution of law and order a year ago. It was eating its way into the homes of the American workman, its sharp tongues of revolutionary heat were licking the altars of the churches, leaping into the belfry of the school bell, crawling into the sacred corners of American homes, seeking to replace marriage vows with libertine laws, burning up the foundations of society.

. . . The Department of Justice of the United States is today a human net that no outlaw can escape. It has been netted together in spite of Congressional indifference, intensified by the individual patriotism of its personnel aroused to the menace of revolution, inspired to superlative action above and beyond private interests.

Mr. Palmer was forced to use sections of the Immigration Law providing for the deportation of aliens who are anarchists:

Although this law is entirely under the jurisdiction of the Department of Labor, it seemed to be the only means at my disposal for attacking the radical movement. To further this plan, as Congress had seen fit to refuse appropriations to the Department of Labor which might have enabled it to act vigorously against the 'Reds', I offered to cooperate with the immigration officials to the fullest extent. My appropriation became available July 19, 1919. I then organized what is known as the Radical Division.

. . . In the confused information that sometimes reaches the people, they are compelled to ask questions which involve the reasons for my acts against the 'Reds'. I have been asked, for instance, to what extent deportation will check radicalism in this country. Why not ask what will become of the United States Government if these alien radicals are permitted to carry out the principles of the Communist Party as embodied in its so-called laws, aims and regulations?

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The second and concluding article of a radio analysis

WHY BROADCASTING HAS FAILED—II

By MAX KNEPPER
Author, Journalist

THE ills of broadcasting have been diagnosed in four general complaints: inferior entertainment, poor quality and excessive quantity of advertising, exclusion of live talent on local stations, and failure to appropriate adequate sustaining time for public service programs. As might be expected, the complicated sickness of radio eludes a simple, single cure.

There is a temptation to suggest federal monopoly of broadcasting as the best remedy, but such a system entails certain inherent drawbacks. One of them lies in the size of the United States with its divergent cultural strata and sectional interests. Although federal monopoly of broadcasting would not preclude regional broadcast centers catering to local customs and interests, recognition of local conditions would have a tendency to atrophy under pressure of the customary bureaucratic tendency toward centralization and standardization.

One trouble with broadcasting under private control is the lack of balanced programs. Under federal monopoly, standardization might become even more rigid, since in order to avoid offending any political pressure group, the civil servants in charge of broadcasting would tend to broadcast only innocuous material.

The problems of financing and talent recruiting, while relatively minor, have to be considered in suggesting federal responsibility for broadcasting as an alternative to the present system. Advertisers now bear almost the entire cost of broadcasting, which the listener pays for only by tolerating the commercials. If the burden were to be assumed by the government, it would either have to be a charge against general revenues or else be met by a tax on receiving sets—probably the fairest way.

Under such a set-up the government would be morally obligated to offer a wide variety of programs to insure that each taxpayer would get his share of favorite entertainment. To do this the government would have to provide a number of networks for simultaneous presentation of comedy and dramatic shows, classical music, dance music, jive, news and information programs, various religious and public service broadcasts, and some specialized programs. It could be done under courageous and imaginative leadership, but with the spectre of political interference always in the immediate background the chances are not too encouraging. The recruiting and dismissing of talent is a highly individualistic, volatile business, and as such does not lend itself to the standardized methods of bureaucracy.

The British Broadcasting System, a government agency, provides Londoners with three stations—one for classical music, one for popular, and one for news, talks, public information, and the like. The diversity of British programs under government monopoly is nowhere near that of the United States. While British broadcasting has never reached the nadir of American radio, neither has it attained the variety of desirable programs. Most Americans in England find radio pretty dull.

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One final consideration to be pondered in a federal radio monopoly is its ready accessibility as an instrument for the self-perpetuation of an unscrupulous, authoritarian administration. At present there are several radio commentators who specialize in exposing governmental mistakes or injustices. It is difficult to believe that these programs would continue long if broadcasting were vested in the hands of Washington officials. There is a limit to human objectivity.

Eliminating the faults of the present system of private control without incurring the risks just outlined falls in the category of eating one's cake and keeping it. All the same, something close to this ideal can be accomplished without excessively radical measures.

NEW YORK CITY STATIONS

A lead in the right direction has been established by the City of New York, which operates WNYC and WNYC-FM. Neither station accepts advertising and so their combined annual budget of $181,000 is a charge against municipal revenues, far less than one per cent of the annual cost of city government.

Completely free from all commercial obligations, both stations represent the ultimate in public service radio. Light and heavy classical music, plays, football and baseball broadcasts, children's programs, and interpretative and straight newscasts provide balanced entertainment. And, while a very few commercial stations rival WNYC in the quality of their entertainment, none approaches this municipally-owned station in time available for discussion of public affairs.

Seymour N. Siegal, Director of Programs for WNYC, summarizes the unique value of the city's broadcast system in these words:

> Before election time, the station affords all political parties equal opportunity to present their major candidates, and during some elections we have presented all candidates for all offices on a strictly gratis basis. The station conducts several forums for the discussion of public issues every week, and some of the outstanding programs have included two and three day broadcasts on such issues as the five cent fare. Outstanding has been the station's gavel-to-gavel coverage of the United Nations General Assembly and Security Council meetings direct from Lake Success. Because we have no commercial commitments, we have presented almost 1500 hours of broadcasting during the past year devoted exclusively to the United Nations.

There is no reason why any large or medium city in the United States should lack similar facilities. The $181,000 budget for the New York stations is by no means minimal. All independent commercial stations in Los Angeles operate on less than that, some of them at a third of that cost. Surely none of the 20 largest cities in the United States lacks sufficient resources to provide from $75,000 to $100,000 for a radio station which could usefully serve the library, education, art, and recreation departments as well as the general municipal government. Local public ownership of radio would protect community interests likely to suffer from centralized federal administration and at the same time offer the advantages of non-commercial broadcasting.

Privately-owned stations would also be functioning in certain fields where the municipal stations could not compete. The recruiting of high-priced talent such as appears on the Benny, Allen, or Hope shows which are so popular with the American people would be too expensive and too remote from the experience and function of a municipal radio department.

Such a system would still leave the great majority of stations in private hands, which, under proper control, would be a desirable condition. All that is necessary to remedy the worst abuses in program and advertising practices is establishment by the F.C.C. of minimum standards below which no station would be permitted to sink. Such regulations should not be so rigorous or inflexible as to deny the broadcaster a reasonable opportunity for profit. On the other hand, they should be sufficiently broad in order to prevent the abuses discussed in the previous article, regardless of any financial impact on private broadcasters. Those stations which can operate only by acceptance of revolting commercials at excessive intervals and by complete disregard of the balanced program principle would better serve both public and radio by going out of business. Their channels could be assigned either to municipalities or to private companies with a higher public-service intelligence.

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If this strikes some as shockingly high-handed, it must be re-emphasized that the essential asset of broadcasting—the air channel—has belonged to the United States since the inception of radio. The first control act, the Radio Act of 1927, directing the F.C.C. to grant licenses *only* if public interest, convenience, and necessity would be served thereby, was enacted under the Coolidge administration, an era not remembered for its social radicalism. The 1934 Communications Act merely re-incorporated this provision among other regulatory paragraphs.

As far back as 1928 Commissioner Caldwell informed Congress that: ". . . each station occupying a desirable channel should be kept on its toes to produce and present the best programs possible, and, if any station slips from that high standard, another station which is putting on programs of a better standard should have the right to contest the first station's position and after hearing the full testimony, to replace it."

Senator Hatfield, criticizing the Commission for its lack of severity in forcing broadcasters to grant more time to public service programs, told colleagues: "I have no criticism to make of the personnel of the Radio Commission except that their refusal literally to carry out the law of the land warrants the Congress of the United States writing into legislation the desire of Congress that educational institutions be given a specified portion of the radio facilities of our country."

An amendment requiring the Commission to allocate 25 per cent of all broadcasting facilities for use of educational, religious, agricultural, labor, and other non-profit institutions was defeated only because it was held that the Commission *already* had that regulatory power.

The only legislation really needed is a clarifying amendment to the present Communications Act, a provision of which prohibits the Commission from interfering with free speech. This prohibition should remain in force, but should be defined as not inhibiting the Commission's power to regulate program and advertising standards. The broadcasting abuses themselves could be abolished by commission regulations.

Such regulations should include limiting of spot announcements to eight an hour, prohibiting interruption of news broadcasts by commercials; they should require commercials to be broadcast in conversational tones and be limited to one minute in length; they should provide that a portion of evening and Sunday time regularly be donated to some type of public service program (many stations broadcast their public service programs before 7 A.M. or after 11 P.M.), and that balanced programs be maintained so that all elements of the public would receive some consideration. To attain this last ideal, hard and fast rules for individual stations are unnecessary. In communities where there are half a dozen or more stations, balanced radio fare could be obtained by station specialization, which is already pretty much the case in New York City. In the several areas where only a few stations are receivable on ordinary sets, broadcasters would have a greater responsibility for balancing their programs so that the various tastes in the local communities could be satisfied.

Surely this is not too much to ask of a class of entrepreneur which has been granted a realm in the public domain for its personal power and profit.

In reality, all that is being demanded here is that the Commission require broadcasters to live up to the public service protestations most of them copiously set forth in their license applications. What the Commission should do is to impress on station operators that failure to abide by their commitments will result in certain forfeiture of their licenses, a policy not now in effect.

The record is replete with broken promises, of which the case of KHMO, operating at Hannibal, Missouri, is but too characteristic. In 1936 the Courier Post Publishing Company applied for a license for a station at Hannibal on the grounds that nearby stations did not furnish an outlet for local talent on programs of local interest. The applicant cited in detail the proposed programs to be broadcast, highlighting the promise that various civic, religious, educational, athletic, farming, lodge, and charitable organizations would be given free time. Time was to be apportioned daily as follows: entertainment 42 per cent, educational 20 per cent, news 9

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per cent, agriculture 10 per cent, fraternal 5 per cent, and civic 5 per cent. Moreover, the entertainment was not to consist merely of records sandwiched between commercials but live talent recruited from the community, a very rare opportunity for local artists indeed.

The Commission originally denied the license, but, after a decision in favor of the applicant by the United States Court of Appeals, granted it. Developments showed that the Commission was shrewder than the Court in estimating the veracity of this licensee's statements. Bearing in mind KHMO's fulsome promises, performance for the week of April 22, 1945, showed up as follows: 85.8 per cent network and transcription entertainment (instead of 42 per cent including local live talent), 4¾ hours for religious programs paid for at commercial rates, and no time whatever for the promised civic, educational, and agricultural broadcasts.

DISREGARD FOR PUBLIC

An even more glaring example, if possible, of discrepancy between promise and performance is the case of KIEV, Glendale, California. When the Canon System, Ltd., applied for a license to operate this station, the license could be granted only at the expense of another station since all frequencies in this zone had been assigned. KIEV's chosen victim was KGIX of Las Vegas, Nevada, whose channel Canon coveted. In justification, Canon represented to the Commission that it would operate KIEV as a civic project under which free time would be granted every worthwhile municipal, cultural, educational, religious, artistic, and scientific body in Glendale. The Commission was so impressed with the philanthropic representations of the applicant that it cut KGIX's broadcast time in half and granted a license to Canon for KIEV.

Performance fell so far short that one is moved to ask why the F.C.C. failed to prosecute KIEV's owners for perjury. In their application these owners pointed out that KGIX's programs consisted of 75 per cent records or transcriptions and characterized such a condition as "reprehensible and inexcusable." Later, when KIEV applied for a renewal of its license, F.C.C. monitored its programs for three representative days and found that, whereas discs had comprised 75 per cent of KGIX's broadcasts, KIEV used this "reprehensible and inexcusable" method 98 per cent of the time.

Recalling that in its original application KIEV had promised a third of its broadcast hours would be devoted to educational subjects and 20 per cent to sustaining agricultural programs—presumably for the benefit of farmers in the San Fernando Valley—a monitoring of 36 typical hours showed 35 devoted to popular records and commercial announcements and only 37 minutes to all types of public service programs.

Although in its original application, Canon System promised to limit commercial announcements to 160 for each 10 hours—a generous number at that—on one of the monitored days it broadcast 264 commercial announcements, the reason for this being that the manager was employed on a commission basis. As late as 1944, after a warning from the Commission some years earlier, an analysis of KIEV's log for April showed that 88 per cent of its broadcasts were still devoted to popular records and less than 3.7 per cent to live talent. No time at all was appropriated for classical music, education, or, in its other phases, culture.

The fact that virtually all radio stations commit themselves to various types of public service programs in their applications for licenses or renewals indicates the alertness of broadcasters to their responsibilities. Their general failure to redeem these commitments shows that their real concern is only with the commercial possibilities of this great communications medium so recklessly entrusted to their insensitive hands.

The remedy is disarmingly simple. The Federal Communications Commission need only adopt a regulation providing that any station which substantially fails to abide by its license application promises forfeits its facilities.

Once such a regulation is adopted and enforced, the improvement in privately controlled radio stations would be about all that most listeners could expect or want.

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What Kind of Wife Has He?

By GRETTA PALMER

A CONVICTION that "business doesn't hire men—it hires families" was put into practice in the middle 1920's by William B. Given, Jr., president of a company manufacturing linings and shoes for automobile and railroad brakes. This policy of making a worker's wife his partner and adviser has worked out so happily for the American Brake Shoe Company and its 10,000 employees at 60 plants that Given's ideas on management are now part of business training courses at Yale, Harvard, and Columbia Universities.

The foundation of Given's philosophy is a belief that a wife is the key to a man's success. Even before a new employee is hired for a sales or executive position with Brake Shoe, his department head arranges to meet the wife. Not only that. His own wife goes along to check his appraisal of the lady. If a Brake Shoe employee is doing badly at his work, the department head's wife may arrange a social evening with the other couple and, if marital trouble seems present, tactfully try to see what the matter is and suggest means of settling the differences.

A man with a home-made grouch seldom does a good day's work. Foremen in the shops and foundries are trained to look for trouble at home whenever a man's production or accident record is bad. As a rough-and-ready Dorothy Dix, the foreman may call on the family and try to straighten things out.

In a family crisis the company tries to help. More than once a tired, run-down executive has been packed off with his family to a pleasant resort for a rest-cure paid for by the company. Foremen and plant nurses are allowed to spend money for family emergencies on their own judgment. When divorce threatens, the company attempts to ward it off by all measures short of busybody interference: men on every job level have been sent by their bosses to priests, ministers, psychiatrists, and lawyers for a happy family solution, with the company paying the cost if a fee was involved.

How does it work?

A molder in one plant began to slack up on the job. His foreman had a heart-to-heart talk with him and found out that the man's wife had threatened to leave him.

"Will you let me see if I can help?" the older man asked. "If so, I'll come around at eight tonight."

When the foreman sat down with the sulky, discontented wife he said, "You talk it out for five minutes. Then we'll listen to Bill for five minutes. Then we'll see if I can help the two of you."

There was nothing seriously wrong except that "the bloom was off," according to the foreman. Out of his years of homely experience he offered this advice:

"Every marriage is hard sometimes," he said. "Hang on, though, and you'll get your second wind, and begin to like each other even better than you did before. Meanwhile I don't want a divorced man working for me, hanging around the bars because he has no home. I want Bill, but I want him as a happily married man."

Bill reported recently that the "second wind" has come.

Human sympathy and understanding are obviously needed if such interviews are to be more than employer meddling. No man is given a position of authority unless he has a knack for winning the confidence of other men. His wife's qualities are also assayed before he is promoted.

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Brake Shoe recommends to its executives that business problems be talked over in the home before a decision is reached. Reports, pamphlets, and advertising copy are given a wifely criticism before being sent out.

"Women have special capacities of the brain and the heart which men lack," Mr. Given tells his executives. "The company wants to benefit by the special abilities of both sexes. Talk things over at home, and you'll get a lot of bright ideas that the company can use."

The youngest foreman in a Midwest plant would never have become a foreman if he hadn't heeded his wife's advice. When Jim was offered this job, he said, "Not for me! The foreman's job in this department is a hot seat. The last three men have failed. I'm happy where I am." He was urged to defer his decision until his wife had heard about it.

The next morning Jim had changed his mind. "She says I'm a chump to turn down a chance like this for fear I'd fail," he said. "I'll try it."

He did, and he made good.

Walter K., another foreman, used to be a foundryman and something of a hell-raiser, with a bad record of days lost from work. His supervisor visited his home and told Mrs. K., "You've got to work this thing out as a family. Have you tried making it more fun for Walter to spend his nights at home by asking friends around? Do you play cards with him?" Mrs. K. took the tip and Walter settled down.

John G. was a clerk whose wife *drove* him out of the house at night to further his career. John had completed a night-school course in accounting and was ready to stop there. But Mrs. G. told him, "Your boss's wife was telling me how much a knowledge of law has helped her husband. You'd better take up law at night." He did, and became a company officer at the age of 31.

When Brake Shoe wives get together they don't talk hats; they are more apt to talk business. All of them have visited at least one plant; top-management wives usually know their way around a dozen factories. Dinner conferences of executives and their wives are regularly held; the wives are urged to speak up with concrete suggestions on company policy. Out-of-town sales meetings are set up so that wives may attend, with expenses paid by the company. Executives' wives are frequently asked to lunch at the office with their husbands' associates: when they start a sentence with, "Have you ever tried . . .?" they are given a respectful hearing.

Mr. Given himself sets an example in marital dependence. The first useful business tip he ever received came from his wife 25 years ago when she said, "Go to a better tailor." Mrs. Given still accompanies him on inspection tours and acts as hostess at several company dinners each month. She listens to her husband's speeches before they are delivered. She puts warmth into company literature. But her greatest value lies in the field of human appraisal.

Because the company regards wives as assets, the old-fashioned warning against talking business secrets at home has long ago been scrapped. "Trust her, but tell her not to talk about it," is the policy. Sharing secrets strengthens a marriage—and anything that ties husband and wife closer together is considered a help to an employee's career.

"Many a home has broken up," says Mr. Given, "because the wife had no understanding of the problems which fill her husband's mind for eight hours every day. Make her feel that she's a partner in your job; and give her suggestions the respect a partner's would deserve."

Because the wives are treated with respect, they set their brains to work on company matters—and sometimes these prove very agile brains, indeed. One branch-manager decided to paint the office walls dead-white. His wife urged that a soft green would be more soothing. Green it was—and her recommendation was verified later by the reports of psychologists. The present company letterhead was designed by a wife; the old one was too cluttered, she said. Company brochures are bound in an attractive blue because an executive's wife chose the color. Because a foreman's wife suggested it, hot coffee is provided in the plants for men who bring their lunch from home. One engineer's wife, who had studied chemistry at college, found the answer to a technical research problem which had stumped the laboratory staff.

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"Everyone is always repeating that marriage increases a man's responsibilities," says Mr. Given. "It does. But it also enriches him and his employer by giving him a woman's brains, instincts, and ambitions to supplement his own. I agree with the former dean of Smith College who said, 'The reason women in careers rarely achieve outstanding success is that women have no wives.'"

But not all wives are assets. Sometimes a nagging woman with too much ambition makes life miserable for a man who is doing quite well. "Why aren't you getting ahead faster?" can be a cruel reproach to a worker of fair ability who is doing the best he can. Executives watch for signs of this situation and, if they appear, arrange for a talk with the harassed employee's wife. "If she knows we're pleased with his work she will usually lay off," they say.

Wives get an occasional Dutch Uncle talking-to. One bright young man was unable to stay 20 minutes overtime or to travel as much as his job required because, he said, "Min won't like it." His boss fixed up a dancing foursome and in a pleasant sociable atmosphere told Min what she was doing to wreck her husband's career. She never interfered again.

When the husband's sprees are a problem, the wife is taken into the confidence of the company. Sometimes she needs to be told the facts about alcoholism; she may be put in touch with a clergyman, psychiatrist, or Alcoholics Anonymous. Wives are always warned that nagging is not the way to make a husband settle down, and that love must flavor every suggestion of a change.

At Brake Shoe everyone from foreman to president doubles as a personnel expert. "That means that each of us must bring his business home with him," says Mr. Given. "No serious problem in human relations is seen in proper perspective if it is judged from the viewpoint of one sex alone."

This practice requires that wives be sympathetic listeners—and such listening pays off. Men who count their day's setbacks or triumphs get a different slant on them than if they had kept them to themselves. And because the husband knows that the question often asked of him at work is, "What does your wife think about it?", he, too, listens when the dishes are cleared away and the family confab begins. Marriages are cemented by these nightly conferences.

Is this all paternalism and sentimentality? Mr. Given believes not. "When we deserve the friendship of our employees' families, the company is moving forward," he says.

And it has—in increased loyalty and efficiency.

When American Brake Shoe inaugurated its policy of hiring families instead of men it was considered a radical departure. Mr. Given still startles many successful men by asking, "How much has your wife changed you?" Sometimes the question seems to sink in and to effect a change in corporation policy. There is a trend today towards the Brake Shoe viewpoint.

Various companies have adopted some of the less radical of Mr. Given's policies, but few employers have yet gone so far in evaluating marital happiness in business as he has. In a recent speech he urged that girls be educated to act as "business advisers" to their future husbands. "This training can be much more important to them," he said, "than learning how to bake a pie." And the company is not bigoted in its emphasis on women's importance; where women employees are concerned it maintains that the husband must be encouraged to help his wife get ahead.

"Isolated men and isolated women can succeed in business," says Mr. Given. "But they are handicapped. In work, as in society, the normal unit is the family—the happy family. American business had better wake up to the fact that a rising divorce rate is going to mean lowered efficiency unless it is arrested soon—and American business can help arrest it."

And it would be something new in history if the present divorce rise were halted, not by the churches, not by the psychiatrists, the colleges, the sociologists, or the schools, but by American business firms.

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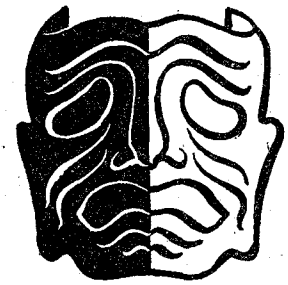
The THEATRE ARTS



by John Gassner

When *The Glass Menagerie* opened on a memorable spring evening in 1945, New York critics had the pleasure of acclaiming the arrival of a promising new playwright in Tennessee Williams. On December 3, 1947, when *A Streetcar Named Desire* opened at the Ethel Barrymore Theatre, they made the always welcome discovery that their expectations had been met with indisputable certainty. If, in addition, they cast a backward glance at the 33-year-old author's numerous one-acters of unmistakable distinction, as well as the published text of his full-length *Battle of Angels,* which the Theatre Guild was forced to withdraw after its opening in Boston, there could be no doubt that America had a new major dramatist. When the recording angel writes, he will have Tennessee Williams to add to the good deeds America has piled up for herself in heaven as on earth.

In a stirring and beautiful production directed by Elia Kazan, who has a number of brilliant jobs of stage and film directing to his credit, *A Streetcar Named Desire* emerges as the most creative American play of the past dozen years. It is, moreover, a play that needs no erudite exegesis, no coterie support, no apologetics to make it acceptable.

Blanche Du Bois, a young woman bred on a rich plantation that had gone to seed, arrives at a disreputable quarter of New Orleans to stay with her sister Stella, who has married the rough-hewn Polish laborer, Stanley Kowalski. Blanche is not well; she is extremely nervous and hears strange music when distressed. Her distress increases when she surveys the sordid surroundings, when she observes that she will be sleeping next to her sister's bedroom with only a curtain between the rooms, and when she meets her strange and bullish brother-in-law. She has been a schoolteacher as well as a belle. She exudes the spirit of refinement in her speech and comportment, and clings pathetically to her clothing and furs, mementoes of a life to which her present environment makes a garish contrast. Her sister Stella has an earthy simplicity and sound animal instincts; she is happy with her exuberant and violently virile Pole. But she, poor Blanche, who is in such need of quiet and comfort, has entered the strange precincts of the uninhibited, uncomfortably hearty proletariat. Her delicate scorn and wincing aristocratic superiority cannot be mistaken. One cannot help pitying her, and also laughing at her because the life she affects to despise seems so invincibly alive while her eyes seem fixated on a decadent past. But pity claims priority because her helplessness is so palpable, and because she is so evidently concealing a wounded past. Pity, however, is precisely what she cannot incite in Kowalski, to whom her refinement is both comic and affronting, in whom curiosity about this strange woman becomes an obsession, and for whom her presence is a disturbing element. He had been happy with Stella in a rough-and-tumble manner, and now he must defer to Blanche's delicacy, her nerves, and her disdain of his uncouth conduct and animal spirits.

He begins to unravel her past, thread by thread, from the suspiciousness of her conduct and from chance bits of information. It is not long before he discovers that she had been compelled to leave her home town after seducing one of her boy students, and that subsequently she had spent some time in a disreputable house. This is the woman for whom the slightest indelicacy is a torment! And his suspicions are only too well sub-

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stantiated by her birdlike attempts at sexual intimacy. Her whole pitiful story unrolls before the audience, which the omniscient author involves in an understanding and sympathy that must remain a sealed book to the innocent and lively savage who is her brother-in-law. In her golden girlhood Blanche had deeply loved and then married a lovable young man who turned out to be a homosexual and who killed himself when his sense of guilt became unbearable. Her seduction of young students became a compensatory and compulsive measure; and her masquerade of fastidiousness was a necessary defense against the gross reality of her desires, as well as against the sordid world into which she had been thrown.

Blanche, we realize, is pretty far gone after the shipwreck of her ego, but she finds one unexpected straw to cling to—that is, in addition, to the delusion or pretense that a wealthy man in Florida is ready to leave his wife for her. The straw is Harold Mitchell, a friend of Kowalski's and an innocent, mother-coddled lad who is strongly attracted to the fey creature. After a few affecting encounters he is even ready to marry her, with his mother's permission, and Blanche is eagerly awaiting him on the evening of her birthday, an occasion that is being observed with cake and candles by her pitying sister. But the suitor does not arrive, and Kowalski bluntly admits that he had revealed Blanche's past to his friend; he wasn't going to let his best friend marry a tart. This is the crisis, and thereafter every event contributes torments to unsettle an already badly jolted mind. Valiantly Blanche continues to spin threads of romantic illusion as an anchor to life, but the last threads are severed when her brother-in-law, whom she has been vaguely enticing, violates her, and Stella relunctantly consents to committing her sister to an asylum. The concluding scene is as heartrending as any one of a half a dozen other preceding scenes. The matron from the asylum knocks her down on the floor when she struggles; the physician from the asylum takes one quick look at her and resolves to salvage her self-respect. He removes his hat, speaks to her in courtly accents, and raises her from the floor. Instantly she radiates pleasure and walks out with him, her head high as if she were following a gentleman who has shown her the extreme courtesy which befits a lady.

I have told this story at some length, but even so the narration is the merest summary. The Mielziner setting, which combines sharp realism with poetic beauty, adds the dimensions of environment to the plot. The characterization is vastly enriched by the performances of Jessica Tandy who plays Blanche with great virtuosity, as well as conviction, and of Marlon Brando, whose Kowalski is a masterful realization of innocence, animality, and shrewdness. The story itself is many-faceted. And here we may find the true measure of the play's compelling power, aside from the variety and magic of the dialogue. Tennessee Williams has accomplished what is seldom achieved in contemporary dramaturgy; unlike most of his fellow-craftsmen, he has not only built a play well but he has built it with the steel and brick of narrative and characterizing substance.

What *A Streetcar Named Desire* has is the abundance of a good novel. It might have actually been elaborated into a novel, which book critics with customary enthusiasm, would have hailed as indicative of the combined capacities of a Faulkner and Dostoevsky, without being fundamentally more substantial than Williams' play is on the stage. Life has density in this drama of a woman's tragic effort to clothe her nakedness. (The nearest modern parallel in playwriting is perhaps Pirandello's more cerebral play, *Naked*.) The theme is one of the universals of human experience, and it has been managed in a variety of ways by such novelists as Conrad, Dostoevsky, Gogol, Flaubert, and De Maupassant. The author's viewpoint combines a sharp sense of reality, a naturalistic fearlessness in the face of what is gross in individual life and society, and a just compassion. The handling of the dramatic elements is remarkably astute, since the author keeps wave after wave of revelation hurtling through the play. He balances humor and pathos as surely as he balances Blanche's illusions and the objective realities. He distributes effects in the right proportions and at the right time (for dramatic writing, more than fiction, is dependent upon the proportion of the parts and the timing of impressions), and plays upon the impressionableness of an audience as a concert pianist

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plays upon the black and white keys. But what stands out as most contributory to the making of a memorable play is the over-all effect of humanity seen in the round. This has been unnecessarily left to the novelists by playwrights who think more of construction than of the materials with which they are building.

We needn't press home the obvious point that all major playwrights since Aeschylus (and Shakespeare was only the most generous among them) have been lavish with life-substance in spite of the ineluctable fact that the dramatic medium is restrictive by comparison with epic poetry and the novel. Katharine Cornell's production of *Antony and Cleopatra,* which opened a week before *Streetcar,* would alone illustrate the amplitude that playwriting can allow itself. Shakespeare's tragedy is indeed comparable to nothing less than an epic, and that is probably a reason for its failure to disclose its essence in productions that try to whittle it down to the size of the average love story, an effort that has been made since Restoration times. If some measure of success attended the great John Dryden's effort along the same lines in *All for Love,* the reason lies in the honesty of the attempt, as well as in Dryden's talent. Dryden made no secret of his intentions, whereas most later productions pretended to give us Shakespeare's play without actually doing so. The failure of Tallulah Bankhead's revival of a number of years ago was ignominious precisely because it amputated and consequently distorted a play that owes its vigor to the scope of its matter. No such mistake was made by Miss Cornell and Guthrie McClintic, who directed the play with a decent respect for its substance and form. Their production of *Antony and Cleopatra* combines the exact proportions of a middle-aged love affair and a political struggle for the Roman empire which had been left to the triumvirate of Octavius, Lepidus, and Mark Antony by Julius Caesar. The tragedy is both personal and political, and in this instance only a hair's-breadth separates the one from the other; even this statement is essentially incorrect, since Antony's infatuation and his conflict with Octavius are causally related. The present production does complete justice to the amplitude of the drama, at least so far as the text goes.

If Miss Cornell's production nevertheless stints the greatness of the play, our dissappointment must find reasons other than wanton disregard of text, misunderstanding of its content and meaning, and niggling in the cost, color, or efficiency of the staging. As a matter of fact, no one could have followed Granville-Barker's thorough analysis in his brilliant *Prefaces to Shakespeare* more conscientiously, and Leo Kerz's settings rank among the best Shakespearian settings of our time, if we exclude expressionistic treatments. The costuming is also excellent and Paul Nordoff's incidental music is satisfactory. Mr. McClintic has also managed the able actors of the cast exceedingly well, although his casting is not exactly inspired in all instances. Kent Smith's Enobarbus possesses the correct tincture of cynicism and sentiment; Ralph Clanton makes a convincingly priggish Octavius, and Godfrey Tearle's Antony deserves plaudits for right characterization and dynamic acting. We have in Mr. Tearle the Antony who has passed his prime but retains a rugged masculinity tragically at odds with his infatuation, an Antony who is a true Roman politician and soldier, sadly battered by an irrational force which his intellect comprehends without being able to master. The present production, which is nonetheless the best we are likely to see for many years, suffers from Miss Cornell's limitations and from a convention of staging that simply fails to capture the excitement and the magnitude of the political struggle.

To dispose of the staging first, it is to be noted that Shakespeare's play consists of many short episodes located in various parts of the Mediterranean world. Mr. McClintic has staged them, for the most part, in front of the curtain on the extreme left and right. He could not do otherwise, given the kind of stage he chose to employ. Had he used a revolving stage or a unit set, he would have been able to *present* these scenes instead of nearly throwing them away; he would have been in a position to display their genuine interest; and, above all, he would have created a closed circle for the dramatic action instead of giving the impression of a play consisting of some great scenes trailed by tatters.

As for Miss Cornell, it is supererogatory to preface any criticism by calling attention to

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her indisputable talents and personal charm; and it is probably wrong to say that her performance fails to convey the gypsy passionateness and volatility of the "historical" Cleopatra. Historicity was hardly Shakespeare's long suit. We should not insist upon seeing a Cleopatra whom convention has painted as a lurid, wanton, and half-savage Circe. In all probability the real Cleopatra was no more exotic than Miss Cornell; we tend to forget that her world was as much Hellenistic as oriental, just as her Alexandria was more Greek than Hamitic. If Miss Cornell makes an unsatisfactory Cleopatra, although she has at least two superb scenes to her credit, it is because her vocal delivery is too smooth and weak, too sing-song, and altogether too polite for the role. Her movements are too languid, fluid enough but deficient in energy (a deficiency that serves her well in the death scene but nowhere else); because, finally, with all her acting resources she merely floats through the play instead of punctuating it with a potent personality. All told, our first lady of the stage gives us an Edwardian, if not Victorian, version of Cleopatra; she might as well have played the part in bustles and hoops. Some of these deficiencies might have been less noticeable if the staging of the play had managed to bring her closer to the proscenium and brought her into sharper focus by reducing the breadth and height of the background space for her main scenes. Miss Cornell is most rewarding when we can see her plain, not lost in space or removed from the forestage. Her voice is also more impressive when it is effortlessly close. But, of course, sheer mechanics would not have solved the problem of interpretation, and Miss Cornell's is altogether too genteel to carry the charge of Shakespeare's tragic thunder. Miss Cornell gives us great charm and considerable pathos. She does not give us great fire or sufficient tragedy. This becomes plainer when we take note of Judith Anderson's performance in the Robinson Jeffers adaptation of Euripides' *Medea,* which is all fire, with heat enough to consume any audience not clothed in asbestos.

In a Gielgud-directed production which is often unsatisfactory because it is too pretty, but which enjoys the advantage of a streamlined Jeffers text that is athletic and lambent, and aided by a forceful performance by the veteran Florence Reed, Miss Anderson acts in the grand style. It is a style that was supposedly consigned long ago to the tradition of outworn histrionics, and both its broadness and vaulting intensity are strangers to the modern realistic stage. But Miss Anderson is not just any actress; she is the greatest we have had in a generation. Her performance of the ill-starred Medea, the woman who is so savage with suffering that she can bring herself to destroy her own children as well as her rival, would look like "acting" if it weren't so elemental. Her Medea is all woman, not just any woman; and this woman is a force rather than a personality or a profile. If you are very theatre-wise, you are likely to be so fascinated by Miss Anderson's use of acting resources—that is, by the extreme virtuosity with which she uses her voice and her musculature, and by the absolute expertness of her timing and emphases—that the emotion of the play becomes secondary to the gratification of witnessing a miracle of craftsmanship. If you are not particularly alert to technique, you may be overcome by Miss Anderson's emotional power and never know what hit you. You know that you have had an unforgettable experience. You leave the theatre in such awe of the possibilities of the stage that you will swear no esthetic medium can compare with it in spite of its innumerable descents into the regions of bathos, puerility, and agonizing boredom. The experience is too instantaneously overpowering to be described; one might as well try to describe the sensation of being struck by lightning. In recent years, the American public has been treated to such an experience only once before, Olivier's performance of Oedipus in Sophocles' tragedy.

Abraham Lincoln once said of a free-lance writer he knew: "He can crowd more words into the smallest idea than any man I ever knew."

—Writer's Guide

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JASPER R. LEWIS

Books in brief

Henry Hazlitt will be accused of favoring Wall Street, private banking, and every reactionary tendency. His latest, *Will Dollars Save the World?,* (Appleton-Century, $1.50), is rather brief, rather cynical of official panaceas, and as a matter of fact rather full of common sense.

For one thing, names mean nothing to him. The Truman Doctrine and its successor, the Marshall Plan, are from his viewpoint evidently scrambled makeshifts of would-be politicians. The country is pretty well sold on the Marshall Plan, as the lesser of two evils; not so much to help starving Europe as to "contain" communism. Hazlitt's objections are still worthy of note; it is possible that our plans for free spending as an antidote to the spread of communism may lead nowhere. It is also possible that we are taking that road as the easiest way, instead of making a deeper study.

Hazlitt is definitely not a believer in planned economy. In fact, he thinks the present messy German situation is a result of too much planning and too much control. He makes clear the operation of the laws which regulate exchanges of currency when left free of controls, and shows how the imposition of artificial restraints defeats the very purpose of the regulations. It is, of course, the loans by the United States that make it possible for the prostrate countries to buy our goods, at prices fixed by the compulsory exchange of dollars for each nation's inflated currency. What is more, under the Bretton Woods agreement, each country must "forbid currency transactions within its borders at other than the official rates." This means a false official money rate and, of course, a black market.

Hazlitt doesn't think we can impose conditions on countries to which we offer aid. Our experience with Yugoslavia bears him out. We can keep on pouring money into nations that are in no way bound to be either friendly to us or opposed to Russia. The Marshall Plan was in origin a political retreat from the Truman Doctrine, and the Marshall Plan is based on the free gift of money in the hope it will block communism. Hazlitt recognizes that popular opinion leans to the view that heavy taxes resulting from such a policy would be acceptable if it was successful, but he fears that we are ignoring the real purposes behind Russian opposition to the Marshall Plan.

On the constructive side, Hazlitt would emphasize free industry, and the removal of government controls here at home. We have already lowered our tariffs. He asks a return to a world gold standard, and a reopening of our financial markets to foreign loans. His recommendation is that we accept the challenge of Communist Russia openly, by advancing aggressively the merits of our capitalism, and certainly not least, that we recognize "that appeasement of Stalin has been and will be as disastrous as was appeasement of Hitler."

* * *

To the masses of Europe, according to Hamilton Fish Armstrong, it is of less importance to them whether they receive assistance from communist Russia or capitalistic United States. What they want is food. Another thing they want is our continued participation in their problems, at least until they can get on their feet. In *The Calculated Risk,* (Macmillan, $1.50), Armstrong, who is editor of *Foreign Affairs,* points out the importance of economic recovery in Europe above the question of political theories.

The Marshall Plan of help "against hunger, desperation and chaos" was by way of relieving concern over the implications of the Truman Doctrine; it was welcomed in Europe (except by the Communists). Now Armstrong urges a long-range and expensive program of assistance, free of possible misinterpretation and conditions. His plan is the appropriation of

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the full sum estimated as necessary for the job, partly financed by bonds. Besides the money, it is important that the President be given extraordinary powers—generally spelled "controls." As an example, Armstrong refers to the voluntary program of food rationing which has just expired, unsung and unregretted. He doesn't believe in voluntary efforts. His arguments about the need and allocation of sugar would have more weight if there was not a suspicion that sugar under controls had been mismanaged badly.

On the other side, Soviet intentions to keep us from helping Europe are less forceful than we thought. Russia has her own problems, even though she is ruthless in her ambitions. Collapse of governing powers in European states is a Soviet instrument, and even war is a possibility. But we can give the material help that Russia cannot give. For our purposes, it is necessary also to strengthen the United Nations by boldly altering certain of its provisions or entering a new agreement to bind the nations to resist armed attack if necessary. That would affront Russia certainly, but Armstrong believes nothing is to be gained by dodging the issue of Russia's continued obstruction. *The Calculated Risk* is largely endorsement of the Marshall Plan, plus a little defiance of the Communist Party line.

BRIEFER COMMENT

BIOGRAPHY

As he says in his preface, Lin Yutang wrote this story of Su Tungpo, Chinese poet, scholar, political figure, and human being, simply because he wanted to do so. *The Gay Genius,* (John Day, $3.75), is the biography of Su, done in delightful style, without losing the eleventh century flavor. There were government bureaus and bureaucrats then, too, and lesser officials who criticized them but lost their jobs. Here is not only a piece of old Chinese culture but an entertaining book to boot.

The Stature of Thomas Mann, edited by Charles Neider, (New Directions, $5.00), is a generous volume of essays on various aspects of the author's life and work, by many authors, from Borgese to Gide and Niebuhr. It offers information on Mann and discussion of his literary achievements.

Peguy, by Daniel Halevy, (Longmans, Green, $3.50), is a new rendition of the essays and papers on Peguy by his friend. It combines biography with analysis of Peguy's literary work and his influence on his times.

Albert Schweitzer, The Man and His Mind, by George Seaver, (Harper's, $3.75), is a biography of the missionary in French Equatorial Africa. It portrays Schweitzer as a remarkable personality, notable as much for his material good works as for his deeply religious convictions.

One of the key figures of the Woodrow Wilson era, George Creel, gives his thoughts of those days and others in *Rebel at Large,* Recollections of Fifty Crowded Years, (Putnam's, $3.75). There were those who disliked Creel then and later, but there was no doubt he could push a sharp pencil. He still does. His comments on President Truman are caustic.

H. Allen Smith offers his fans more dry humor and funny situations in *Lo, the Former Egyptian,* (Doubleday, $2.00). The Egypt is Southern Illinois, the country of Allen's youth (so he says), and he introduces some of his old acquaintances and delightful experiences.

FICTION

Spearhead, 10 Years' Experimental Writing in America, (New Directions, $5.00), is an anthology of contributions from the *Annuals* of the same publisher, plus material from other sources. Some of it is in the free, uninhibited tradition discussed by Professor Glicksberg in "Sex in Literature," December *Forum.* Some of it has hitherto not been published in America. *Greener Than You Think,* by Ward Moore, (William Sloane Associates, $3.50), is mirth-provoking in its concept of a voracious grass that eventually devours civilization as we know it, with situations both unbelievable and perfectly natural at the same time. At the opposite end is *Feast of the Jesters,* by Manuel Komroff, (Farrar, Strauss, $3.00), a new version of the Congress of Vienna in 1815, told around

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a setting of a troupe of French actors. It is a fair story, dividing its interest between the historical characters and the fictitious troupers, and thereby losing some of its power. Then *The Stoic,* Theodore Dreiser's last novel, (Doubleday, $3.00), is more tract than novel. It is Dreiser's honest evaluation of a nineteenth century industrial tycoon, in an age when the breed was beginning to die out, but it is as dated for style and Dreiser's views as it is for the period of its action.

MISCELLANEOUS

Touchstone for Ethics, by T. H. Huxley and Julian Huxley, (Harper's, $3.00), contains the Romanes Lectures of both Huxleys, in 1893 and 1943. Included also are the Vindication of Darwinism written by Julian in 1945 and a conclusion summing up the topic of ethics as they bear on current world problems.

The World of Aldous Huxley, edited by Charles J. Rolo, (Harper's, $3.50), is a satisfactory introductory omnibus of fiction and non-fiction, including some examples of the early Huxley and his later, more serious discussions of spiritual freedom, science, and government.

The Roosevelt Era, edited by Milton Crane, (Boni & Gaer, $4.75), is a collection of articles, stories, and plays, written in the New Deal period, 1933-1945, either about F.D.R., his circle, or the times. Some of our best known authors are represented, but Crane is not responsible for their opinions or their estimates of values, of personalities, or policies.

Man's Last Choice, by E. M. Friedwald, (Viking, $2.00), is a little volume on "political creeds and scientific realities." It discusses the scientists of various nations during and since the war, their progress in war-making research, and the need for control in this atomic age.

A picture of the Aleutian country and its people is given in *Oogaruk the Aleut,* by Mariette S. Pilgrim, (Caxton, $3.00), which goes back to the days of Baranof and the early pioneer fur hunters. It is descriptive also of the explorations of the Russians in the Arctic region.

The first volume in the Centenary Series in American Literature, *100 Years Ago,* edited by James Playsted Wood, (Funk & Wagnalls Co., $5.00), contains selections of some of the writings that were "just published" in 1847—Prescott, Agassiz, Emerson, Melville, and others. It is of necessity largely confined to excerpts.

Panorama of American Literature, by W. Tasker Witham, (Stephen Daye Press, $7.50), is a kind of literary history, composed of text and illustration, from colonial publications to today. It has brief notes on authors. It is not an anthology but a guide to writers, with comments on the type of literature each produced, and the appraisal by the author of each one's ability. The last should be left to individual judgment.

Books about California's history seem to provoke interest; *San Francisco: Port of Gold,* by William Martin Camp, (Doubleday, $5.00), is no exception. Camp goes back to the gold rush, but his chief interest is the water front and its people. He includes the shore front labor troubles of current years, even though there is no glamour in them as in the early chapters.

Americans from Holland, by Arnold Mulder, (Lippincott, $5.00), is the first published volume of The Peoples of America Series, Louis Adamic, general editor. It is informative and interesting, in fact, full of fun in its descriptions of things and people, but larger type and better paper are our wish for future volumes.

In the new Invitation to Travel Series published by Coward-McCann, two recent volumes are: *The River Plate Republics*—Argentine, Uruguay, Paraguay, by Betty de Sherbinin, and *Land of the Andes*—Peru and Bolivia, by T. R. Ybarra, (each, $4.00). They are straight travelogues, intended only to interest and educate the reader. It is a different Ybarra from the author of *Young Man of Caracas* or the old corner poems of *The New York Times,*—or was it *The Sun?*

Robert St. John tells about the people in the "New Yugoslavia" in *The Silent People Speak,* (Doubleday, $4.00), based on a tour of that country accompanied by a native girl interpreter. It is mostly in praise of the people and emphatic of their belief in their own freedom under their present leaders.

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The Unlabeled Man

Dear John,

May I go on from where we left off last night in our talk? Just when we got to the steepest questions, you had to leave. You left me making my way gingerly across a suspension bridge of vines swung over some Brazilian ravine. A little up in the air.

After you had gone I tried to improve my position. Or rather, I tried to prove to you that my position was better than I had been able to picture it in the give-and-take of talk. I planned to write you a letter to show how secure the bridge was and how safely one could get from it to some rooted tree on the bank. I could always make out a better case for myself in writing than in conversation.

But I have changed my mind. In getting me out on that swaying web of twisted vines and leaving me there, you learned more about my actual thinking than a carefully composed letter could tell you. The suspension bridge is tenable and passable. The fact that I myself am on it is some evidence of that. But such is not to say that the bridge is in any sense completely secure.

This would be of little importance if a position of suspense were not expressive of our day. Not the average man, not necessarily the exceptional man, but the most characteristic and representative man is not standing on the terra firma of faith or on any fool-proof metaphysical structure. Perhaps the most generally true thing that can be said of him is that he is uncertain. Such a man am I—a relatively unimportant sample of a far from unimportant point of view.

We were speaking last night of intellectuals who have reversed themselves by entering one or another of the historic churches. Unlike the preponderance of men who enjoy some measure of spiritual security at little cost to themselves, these intellectuals have paid for their peace with some hard thinking. All honor to them. Yet fundamentally what are they but men who have come inside to get warm? Uncertainty about the final answers is too much for some people to endure. Sooner or later they will come in out of the skeptical cold. Or if they are too tough-minded for that, they will stay outdoors and make cynical jokes about the weather.

What I am getting at is this: why shouldn't it be an honorable thing to acclimate oneself uncomplainingly to a drop in temperature? To admit fully the fallibility of the human mind, but to go on from that admission, not to despair but to explore?

When a man flees from fear of the unknown (or the unknowable) into some traditional assurance and fellowship, he necessarily labels himself. He becomes a Roman Catholic, or a Baptist, or a Communist. In this world of clashing labels—more and more clashing—isn't there justification for the man who keeps himself unlabeled and unlabelable?

He would see, or try to see, not only two sides of a question, but

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three, four, five, any number of sides. Seeing them, feeling them, he would in some measure have to embrace them all. The main struggle for him would be not between himself and other men but within himself. Ideally he would see a situation not in terms of sides, but in the round.

Aware that every philosophy has had to begin in an act of faith in something, he would probably not find any traditional philosophy wholly acceptable, or wholly unacceptable either. The realist trusts the senses and the physical world. Very well, the unlabeled man might say, I, too, from day to day trust my senses and the world they profess to report. Hence to that extent I am a realist. The idealist trusts the reasoning mind. So do I, inescapably. The intuitionist trusts his intuitions. The authoritarian trusts some authority, human or divine. But I too am guided both by my own insight and by the insight of great thinkers of the past. If you must label me, this unlabeled man might say, call me a realist-idealist-intuitionist-authoritarian-plus.

"All right for philosophy," I hear you say, "in which one can suspend judgment indefinitely and not suffer greatly for it. But how about politics and economics? Would you be a mugwump? Would you sit forever on a fence? It's a windy place, that fence. Winds often of hurricane violence. If you won't come down at voting time, you might get blown down."

Such a fence, I grant, would be an even more precarious position than a suspension bridge of vines. But I don't think my unlabeled man is on your metaphorical fence at all. Fences emphasize division. A man on a fence is just as much aware of the two sides as are the men on either side of the fence on the ground. Probably more aware. But the unlabeled man does not take fences as seriously as do men who are barred out or barred in by fences. Certainly he does not make a practice of perching on them. He goes over them, through them, under them. Or he avoids them by going round. He minimizes their height. He anticipates time's overthrow of them. He may even help time along by giving a push himself.

But if you have the idea that the unlabeled man never makes up his mind, never comes to a decision, then I have misrepresented him. He is making up his mind all the while, just as all of us have to do to live. But instead of making up his mind to be more and more what some label tells him to be, he moves selectively. His decisions are experiments, new combinations, resolutions of conflict, reconciliations, anticipations. In his mind nothing is absolutely final. The process of fresh appraisal goes eternally on.

From the point of view of fixity, he is conscious of levels in his thinking. At the top are the overt decisions, such as to vote for A rather than for B. Beneath these commitments is a stratum of flow in which actions are tested, modified, reassembled. Still farther down is the level of basic attitudes and faith. Here the flow is slower than above, but flow there still is. Only at the deepest level is there no flow. Here dwells the fixed conviction of the unfixedness of all knowledge. Even the ideals for which he would die are not guaranteed by any absolute sanction. This is the imperative, perilous foundation of all his thinking and living.

In contrast to such a mind, anyone who has only one type of belief for everything he believes seems to me naïve. "The either-true-or-false man," we might call him. He is driving his car due West at 50 miles an hour and he knows it. West is the direction he is going. Don't give him any complicated foolishness about the rotation and revolution of the earth, the drift of the solar system toward Vega, and the movement of our whole galaxy toward God-knows-where. The steering wheel in his hand is solid substance and he knows it. Don't quote him any fancy theories about protons, neutrons, and electrons. The wheel is solid or it isn't solid. It can't be both, can it? Either or.

Isn't this the origin of some of our irreconcilable ideological conflicts? Either or. People who know what they know and know it more inflexibly as the years go by. Frictions, disputes, misunderstandings piling up with ever greater impressiveness. Man against man, class against class, party against party, nation against nation.

But time—enough time—is a solvent and a reconciler rather than a taker-of-sides. How meager the causes of many a war look a thousand years afterwards. Where now is the

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overwhelming duty for Rome to wipe Carthage off the earth?

The unlabeled man represents the long view. Like the Puri Indians to whom Thoreau refers, he has but one word for yesterday, today, and tomorrow. To say that he is historically-minded is not enough. Many a literate politico professes to find in the broils of the past some justification for the broils of the present. To the unlabeled man the broils of the past have a way of neutralizing the broils of today.

If the world consisted largely of unlabeled minds, difficulties might result. Who would consent to be mayor? Who could be found to run for President? But in a world where the vast run of men are predictably and safely pro or con, the unlabeled man's chief danger is in being wholly ineffective. For I am pleading not so much that he be tolerated as that he be recognized as a social corrective force—this man who, as observer, skeptic, critic, philosopher, deflater, and reconciler, stands near the windless center of the cyclone. We need him there to help us keep from being blown away.

The year 1948 has been hailed as a year of decision. Let us see what that historically-minded man, Arnold Toynbee, has to say. Writing in *The New York Times* for September 21, 1947, he asks: "Could the United Nations split, de facto, into two groups without a breach of the peace? And, supposing that the whole face of the planet could be partitioned peacefully into an American and a Russian sphere, could two worlds on one planet live side by side on a footing of 'non-violent non-cooperation' for long enough to give a chance for a gradual mitigation of the present differences in their social and ideological climates? The answer to this question would depend on whether, on these terms, we could buy the time needed to carry out our economic task of finding a middle way between free enterprise and socialism."

From this point of view the unlabeled man's prayer might well be that 1948 should *not* be a year of decision.

It occurs to me that the man I have been describing is essentially anti-dramatic. Drama is clash, and he is concerned most of all with the solution of clashes or at least with the minimizing of them. Among all the books and magazines that play up and point up the various conflicts of the day, he searches, often in vain, for some balanced, inclusive, undramatic statement. He is unsympathetic not so much toward the conflicts of life as toward an attitude that regards them as inevitable and even sacred. Consequently he is a little impatient with the theatre whose very virtue is the intensification of clash. He is too much the philosopher to be a good playgoer. He is more at home with Socrates and Plato than with Aeschylus and Sophocles. Even a great play leaves him a little outside. He only partly participates. Watching the actors on the stage as their antagonisms build up impressively and menacingly toward the breaking point, he thinks ruefully of America and Russia.

Do you condemn this man for keeping cool in hot times? Perhaps he does keep cool; surely he tries to. To remain cool when those around you are at the boiling point is at least half a virtue. True, he may be tempted to be too cool, to be the ironic observer only. But if he yields to this temptation, he is not the unlabeled man I am talking about. The man I am talking about is one in whose mind, as in a microcosm, the outer struggle is mirrored. He may be a suffering man rather than a cool man. He could be a martyred man.

"Sincerity, for him . . . is reached through unceasing efforts to lay bare the most authentic of the several selves," says Henri Peyre of André Gide in the *Yale Review* (Winter, 1948). "One strives towards it, not by attempting to save one's personality from outside influences, but by submitting humbly to them, then outgrowing them and discovering one's deepest truth after much trial, error, and lopping off of borrowed foliage. Such sincerity entails the cultivation of one's plasticity, the refusal to be summed up into any kind of unity, into one book, one philosophy, one attitude, be it the one under which critics and readers insist upon recognizing an author."

Did I call myself an unimportant sample of an important point of view? Forgive me, John. The unlabeled man is my hero, not myself.

ROBERT FRANCIS

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YES!

By JOSEPH C. WILLIAMS

"INFLATION stands as an ominous threat to the prosperity we have achieved. . . . We already have an alarming degree of inflation. And even more alarming, it is getting worse." In his speech to Congress on November 17, 1947, President Truman outlined the basic reasons behind his request for emergency control powers. On January 7, 1948, in his State of the Union message, the President renewed his request for wage-price controls and rationing authority, declaring that "high prices must not be our means of rationing." The special session of Congress had rejected most of the President's ten-point program of controlling inflation, and had substituted a Republican measure providing for voluntary action to allocate scarce materials.

Before his November, 1947, speech, the President's opposition to price and rationing controls had been widely known; his request came as a shock to many congressional leaders. Members of the President's Cabinet were not surprised; they had debated the speech paragraph by paragraph before its delivery. After 1,200 words of explanation about the need for foreign aid, the President had devoted 2,800 words to domestic problems, i.e., inflation. Democratic applause had been vigorous. Republican opposition was tempered by the growing realization that Truman had put his political enemies "on the spot."

"The harsh effects of price inflation are clear," declared Mr. Truman. "They are felt by wage earners, farmers, and business men. Wage earners are finding that bigger pay checks this year buy less than smaller pay checks bought last year. Despite generalities about high farm prices, the income of many farm families cannot keep up with the rising cost of the things they buy. Small business men are being squeezed out by rising costs. Even those who are well off are asking, 'How long can it last? When is the break coming?' "

Specifically, the President wanted authority to control consumer and bank credit; to control speculation in commodities; to strengthen export controls; to allocate transportation facilities; to promote marketing of livestock at weights calculated to conserve grain; to encourage food conservation at home; to allocate scarce commodities; to control rents more firmly; to ration scarce goods "which basically affect the cost of living;" to impose price ceilings and wage ceilings where necessary.

The special session of Congress called in November took no action on the following portions of the ten point program: consumer credit controls; marketing of livestock at weights representing the most effective utilization of grain; extension and strengthening of rent controls; consumer rationing; price and wage ceilings. The Republican substitute program Mr. Truman characterized at the time as "pitifully inadequate." In his speech of January 7, Truman called to the attention of Congress the continuing rise in prices, adding: "The events which have occurred since I presented my ten point program to the Congress on November 17 have made it even clearer that all ten points are essential."

To the ordinary American citizen, caught in the inflation squeeze, the need for government action is more than obvious. Despite opposition to government control from such special interest groups as the National Association of Manufacturers and some labor unions, the great majority of Americans stand only to gain from government controls and to lose miserably from continued inflation.

First of all, even a minimum foreign aid program endangers the already unstable economy of the United States. President Truman asked Congress on November 17 for $597 million interim aid for Europe. Although the administration made no detailed

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rice and Wage e-imposed?

NO!

By CAROL L. THOMPSON

IN a rather crude attempt to tie domestic policies to the European relief program, President Truman appealed to Congress last November for emergency control powers over domestic inflation. The issue was raised again in his State of the Union message of January 7, 1948. That inflation has reached dangerous proportions in the United States no one can deny. It seems equally obvious that the measures proposed by the administration are ineffectual and unconstitutionally arbitrary.

In the first week of December, wholesale prices in the United States reached a new high; food prices were climbing steadily; factory wages were averaging over $50 per week; unions were beginning a drive for further wage boosts in 1948. The cost of living had risen from 153.3 to 166 during 1947 (1941 figure: 105.2).

The basic reason behind the rising cost of living was not hard to find. Between 1940 and 1946, hard cash in circulation had increased from $40 billion to $106 billion, creating an unprecedented demand for all types of commodities. Although 1947 was a record production year in the United States, production has by no means kept up with demand. In addition, the wretched condition of the rest of the world makes it impossible for most foreign countries to contribute much to the world production total. Thus, in 1947, the United States turned out more than 50 per cent of the known industrial production of the world, compared with 30 per cent before the war. The resulting inflation in the United States can hardly be met by haphazard government planning.

President Truman has asked for stringent controls over the economy and has declared that we should not let rising prices cure the inflation. Yet rising prices, in a free economy, will eventually cause demand to drop and inflation to disappear. The *Economist* of London, already too familiar with government controls on the British economy, has put the matter well:

> Rising prices and inflation are . . . associated together, like scarlet fever and rising temperatures. . . . But so far from being the same thing, one is nature's cure for the other. Inflation is an excess of demand over supply and one way in which the two can be brough into balance is by such a rise in prices that the available supply absorbs the demand. . . . Nobody in his senses would advocate an indefinite rise in prices as an end in itself. But it does bring the inflation to an end; whereas holding all prices down merely guarantees that it . . . shall go on forever.

As a matter of record, the unit volume of retail sales declined an estimated 10 per cent in 1947; few and far between as they have been, there have been sporadic price cuts throughout the year, as industrialists tried to lower the cost of their products and thus increase sales.

FAILURE OF O.P.A.

Even in war time, price controls under the O.P.A. did little to help the average American. To prove the effectiveness of price controls by quoting ceiling prices during the war is unadulterated nonsense, as every consumer knows. Scarce items were simply not available at ceiling prices. With plenty of money to spend, normally patriotic citizens patronized black markets in food, in nylons, in automobiles—in all the countless consumer goods driven off the legitimate market by unrealistic price policies. Without the emotional stimulus of all-out war, it is hard to believe that if price controls are re-established, black markets will not again become the order of the day, Even in war-time, the administration was unable to cope with strong union demands for higher wages; once the power to raise wages is again in the hands of federal bureaucrats, strong unions will have little difficulty in gaining

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recommendations at that time for long term aid, Secretary Marshall told congressional committees that $7.5 billion will be needed in the 15 months after April 1, 1948. That such aid is vital to the long-range security of the United States in no way alters the fact that it will be a severe strain on our economy. Already food prices have been forced up partly because of the government's purchases of grain for export; a program of rising commodity exports cannot fail to increase prices further in a so-called "free market." And, of course, the higher these prices go, the greater the cost to the American taxpayer.

INFLATION

Secondly, inflation is already at a dangerous high in the United States. As President Truman pointed out in his Congressional message, since mid-1946, the cost of fuel has risen 13 per cent; of clothing, 19 per cent; of food, 40 per cent; the average cost of living has gone up 23 per cent. Those who maintained more loudly than wisely that the end of O.P.A. controls would stabilize the American economy have so far proved badly mistaken; since the end of such controls, the cost of living has continued to increase alarmingly and shows no tendency to drop in the near future. However advantageous this may be to certain business and farm interests, it wreaks havoc with the housewife's budget; it makes it next to impossible for many Americans to pay for the necessities of life. Few workers can now afford to give their children the meat, eggs, milk, and butter they need.

During the past year the President has continually called attention to the dangers of inflation; he has continually asked business groups to cooperate in cutting prices. There has been no appreciable result; voluntary price cuts have been the exception rather than the rule. Those who still favor voluntary or self-regulation simply close their eyes to the facts of the case.

To put the matter plainly, present indications all point to a continual rise in the cost of living in the United States; some government economists now expect that by June, 1948, "cost-of-living" items will go up from 10 to 20 per cent more without controls. We are reminded again that large-scale grain shipments to Europe force up many food items. The early-spring scarcity of meat always drives up its price. Demands for increased wages further reflect the coming rise and increased wages themselves will contribute to higher prices. Employment continues at record figures and the demand for almost all consumer goods shows no sign of abating. In the absence of government controls the poor consumer can only hope that the N.A.M. is right, for a change, in its analysis of the situation.

It must not be forgotten, however, that during the Summer of 1946 it was the National Association of Manufacturers who led in opposition to price controls. In nation-wide advertisements, the N.A.M. proclaimed:

> The members of the National Association of Manufacturers have no intention of rocking the inflation boat—now or at any other time.
>
> If O.P.A. is permanently discontinued, the production of goods will mount rapidly and through free competition, prices will quickly adjust themselves to levels that consumers are willing to pay.
>
> The great majority of American manufacturers are determined to produce as much as they can, as fast as they can, to sell at the lowest possible prices....

Prominent members of the Republican partly also put themselves on record at that time. During the debate on the O.P.A. extension bill, Senator Taft declared that: "Manufacturers are not particularly anxious to increase their prices. What they want to do is to increase the volume of their production if they can and have their product known as a low priced product."

Alas for these optimistic predictions, statistics prove the opposite to have been the case. Between June, 1946, and May, 1947, meat production increased tremendously (beef and veal up 156 per cent, pork, 56 per cent in slaughtering); manufacturing production increased nine per cent. Total industrial production in 1947 was 23 per cent higher than 1946. Yet there was no corresponding drop in prices, despite the wise words of Senator Taft and the N.A.M. On the contrary, whenever and wherever production increased to the point where demand slackened, *production* (not prices) was cut, so that high prices would be maintained.

Ignoring its 1946 blunders, the N.A.M.

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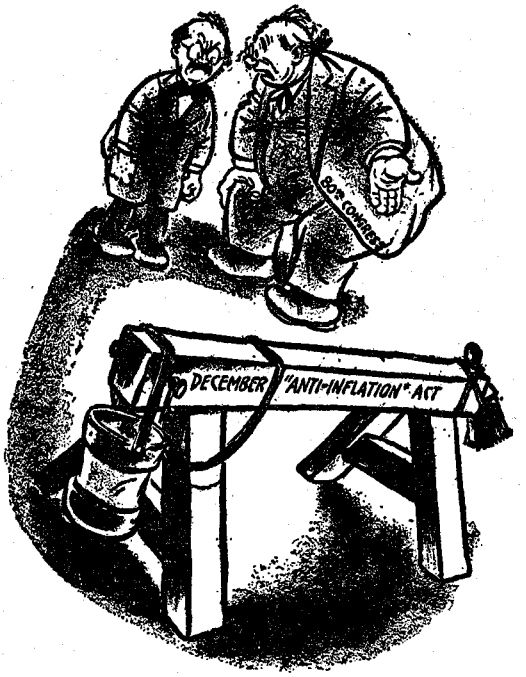
once again is offering its own 12-point control program. The program is based in part on a widely-held but unsupported belief that the United States is enjoying a permanently high prosperity level and that no depression will follow the present inflationary period. The N.A.M. cries loudly for government fiscal reform and for increased productivity. This group ignores completely the salient points that American industry is already operating at capacity, that farm productivity is at record highs and that any program for a further increase in productivity depends largely on increased plant capacity—a long-range program upon which few industrialists are willing to embark.

POWERS OF PRESIDENT

Another argument against further government control is that the President already has much authority over the economy, authority exercised unwisely or not at all. An analysis of his current powers gives this argument the lie. Certain of the President's powers expire so soon that they are worthless now unless extended. This is true of the authority to allocate transportation facilities and equipment, of the power over export controls, of rent controls, of allocations and inventory controls, already very much restricted. When the Second Decontrol Act expires February 29, 1948, most of the administration's power over the economy will be suspended. It should be remembered that this act was passed at a time when most taxpayers believed that the economy would settle itself and that the readjustment period would be fairly brief. Unless these powers are extended now they are worthless and to all intents unenforceable.

Rationing and price ceilings as well as wage controls are non-existent at the moment; without some control over these basic items it is hard to see how any government program can succeed. Control over consumer and bank credit and commodity speculation is also vital to checking the inflationary spiral.

The federal budget introduced on January 12 contemplates a higher tax income in 1948-49 than in 1947-48. This can only be obtained if prices are kept high. The first tentative efforts to increase the interest rate by permitting government bonds to sell close to par



Herblock in *The Washington Post*

"You Mean
You Still Want A Real, Live Pony?"

have shown how weak a reed this is to lean on. After World War I, Liberty bonds dropped well below par but no serious suggestion that the Treasury should withdraw its support of government bonds has been made. There are obvious reasons why the Treasury will continue to support the value of government bonds. This support, combined with high government spending and high taxes, exerts a constant pressure on the price structure. The pressure is not so great as it would be if the budget were also out of balance, but it is great nevertheless

Since government controls are so powerful in the field of interest rates, the government should have the power to bring prices, wages, and profits into relation with interest. We should not have a controlled market for money and a free market for beef.

Further opposition to the President's request comes from those who believe he is making a "grab for dictatorial power," although the President himself has indicated strongly his dislike for emergency control. This charge of "dictatorship" is a serious one and there is no doubt that every increase in emergency executive power must be carefully guarded.

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Yet it is equally true that the administration, the executive branch of the government, must in times of emergency have the authority to take precautionary measures, to make quick decisions, to act, while the legislature debates. Whether one favored the New Deal or not, the N.R.A. era was a period of greatly enlarged emergency powers for the executive —and these powers did not lead to dictatorship in the United States. Nor did the war powers of 1940-45, enormous as they were.

So long as the President asks and receives his emergency powers from the Congress, so long as these powers are restricted by a definite time limit, so long as it is the Congress and not the President who decides that control powers are necessary and appropriates the money for them and so long as the Supreme Court remains as a final check, it is unlikely that emergency power will lead to dictatorship in this country. It is up to Congress to place a *time limit* on all extra-executive powers and to write all legislation so carefully that its intent is clear. If the emergency controls over inflation requested by President Truman are so limited there need be no fear that dictatorship will result.

A popular argument against the President's request is the appeal for "free enterprise," for the "American system." In general, those who wave the flag of freedom for industry most zealously have no intention of competing in a "free market," or of doing without government support for themselves. Almost every special interest group in the United States is in favor of government interference, if this interference is in its favor. Thus the N.A.M. wants tariffs, an obvious form of government intervention in a "free market," because it believes tariffs help American industry, and opposes price controls, just another form of intervention, because it believes this type of intervention will hinder industry. The farmer does not welcome food price ceilings but happily accepts government support of basic farm prices. The labor unions oppose wage controls, but favor price ceilings. For better or worse, some form of government intervention in the national economy is favored by almost every economic group. When the appeal for free enterprise, is heard, then, the unorganized and lowly consumer, the man without a lobby, had better think before he jumps on the band wagon.

Today, government "interference" is so widespread that we sometimes fail to recognize it. Tariffs, farm support programs, minimum wage and hour laws, social security legislation—all these are examples of the part the government plays in the national economy. Each should be judged on its merits. If wage and price controls will help the average taxpayer, if they will combat inflation, they should be re-instated, regardless of the frenzied appeals of those who stand to gain by the rising cost of living. Certainly the industrialists and union leaders of the country have no more practicable plan to offer. The government is the most nearly neutral of all forces in the economy, is most nearly representative of Mr. Average American's interest. The government of the United States, and not the monopolists of the N.A.M., or the leaders of the big labor unions, should control the price and wage scales of American industry during a period of emergency. That the current inflation constitutes such an emergency is apparent to all. For not only is our own destiny dependent upon curbing inflation but the destiny of the world.

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special favors for their members, to the further discomfort of the unorganized and of the middle classes. Proponents of the Truman proposal have said a good deal about the dangers of inflation, have wept bitterly over the plight of the average citizen, have pointed accusing fingers at big business and big unions. Yet surprisingly little has been said about the benefits (if any) of renewed controls or about how the proposed program will work out. This deliberate vagueness is simply another indication of the fact that the administration does not know what to do about inflation and has little or no idea how controls will work.

The President's speech to Congress of November 18 bears out this contention. Mr. Truman asked for authority to ration scarce goods "which basically affect the cost of liv-

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ing;" to impose price ceilings on "critical consumer and industrial goods and wage ceilings where needed to maintain the price ceilings." He is reluctant to be more specific about the goods to be controlled; administrative bureaucrats rather than Congress are to have the final word on price and wage restrictions. Such sweeping authorizations to the executive from Congress would put the American economy at the mercy of special interest groups and brain trusters.

Furthermore, according to Mr. Truman, the administration plans not all-over controls but merely controls over certain sections of the economy. There is, however, no evidence at hand to support the view that selective controls are practicable. If, for example, price ceilings are imposed on kitchen equipment, what reason is there to suppose that manufacturers will not turn their production to uncontrolled luxury items? If wage ceilings are imposed on shipyard workers, what is to prevent a general exodus to more profitable employment, with a corresponding drop in production? Selective controls will eventually lead to over-all controls and neither will stop the inflation, because neither strikes at its basic cause.

The president's program should be opposed first of all because it will not work. It must not be forgotten, however, that practicable or not, the demand for emergency control powers would lead to an unconstitutional delegation of authority to the president. President Truman has made much of the fact that he will not exercise the authority for which he asks unless and until he thinks it necessary. This is not the American way. Not the administration, not the President, but the Congress of the United States should decide whether and when such sweeping powers are really called for.

Even if Congress should so decide, however, the Constitution does not empower any branch of the national government to interfere so drastically with the economy of the nation in peace-time. In a far more drastic economic emergency, in 1935, the Supreme Court ruled that the federal government's powers were distinctly limited by the Constitution and that no wholesale authority to regulate the national economy resided in any branch of the federal government.

An economic emergency, although it creates new problems for the federal government, does not itself create new constitutional powers. The National Industrial Recovery Act was prefaced with a statement that:

"A national emergency productive of widespread unemployment and disorganization of industry which burdens commerce, affects the public welfare and undermines the standards of living of the American people is hereby declared to exist." When the constitutionality of this legislation was questioned, the government contended that it "must be viewed in the light of the grave national crisis with which Congress was confronted." Yet the Supreme Court refused to accept this reasoning, asserting on the contrary that "extraordinary conditions do not create or enlarge constitutional power."

In the case of the Home Building and Loan Association v. Blaisdell, (1933) the Supreme Court had expressed a similar doctrine. Mr. Justice Hughes declared at that time that:

"Emergency does not create power. Emergency does not increase or diminish granted power, or remove or diminish the restrictions imposed upon power granted or reserved. The Constitution was adopted in a period of grave emergency. Its grants of power to the Federal Government and its limitations of the power of the States were determined in the light of emergency and they are not altered by emergency."

As a matter of fact, the Constitution makes no mention of special emergency powers for either the President or Congress; only in time of war are extraordinary powers mentioned.

Thus, when President Roosevelt established the Office of Price Administration and Civilian Supply, in April, 1941, his action was justified by the General Counsel for O.P.A.C.S. because of the existence of a "war emergency." In a memorandum on the constitutionality of O.P.A.C.S. General Counsel David Ginsburg wrote:

"Without considering the extent of the President's powers with respect to other matters, it is plain that at least until Congress directs otherwise the President can take steps to stabilize prices . . . *when the military de-*

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fense of the country requires large scale coordination of industrial resources. . ." Further justification for the President's action at that time was found in the precedent set by Woodrow Wilson, *also during a war emergency*. There can be no doubt that this implied power, for either President or Congress does not apply to peace-time, however serious the economic emergency may be. The only reason that the President and Congress have maintained their present controls is that between them they delayed beyond all reason the simple declaration that the war was over.

It is obviously old-fashioned to mention the Constitution in a debate with modern "liberals;" it is equally out of style to call attention to the dangers of a planned economy. Perhaps there is a lesson (another old-fashioned notion) in the actual effects of government planning for our economy. War-time procurement policies were a big factor in forcing up prices and wages and the government's war-time borrowing has added volumes to the money in circulation. Price support programs for agriculture have contributed to the rise in the cost of food, as has the haphazard government program for buying grain for export. Housing difficulties were increased by chaotic price and rationing controls on building materials; G. I. loans boosted the cost of all new housing to unprecedented heights. These few instances of the results of planning are cited not to cast aspersions on the administration but simply to remind the planners that the best laid plans often backfire.

In a discussion of economic controls in the House of Representatives on November 25, 1947, Representative McGarvey of Pennsylvania pointed out some of the weaknesses in the position of the administration. "I charge," he said, "that free enterprise has not had a chance to function since the abolition of O.P.A., and the sole reason for this and for our present high cost of living may be placed right on the doorstep of the White House."

Mr. McGarvey called the attention of the House to the drop in prices after Christmas of 1946, both in retail merchandise and in cotton and grain. Then entered the government planners:

"About February of this year [1947] the Government stepped into the grain markets and recklessly bid up the price of wheat from an average of about $2.15 a bushel to $3.00 a bushel, where it still remains. . . Following the rise in the price of this basic commodity, other costs, such as meat, flour and food generally, naturally rose. The fearsome spiral of inflation had again started, as a result of the administration's own actions. . . Was this free enterprise functioning? Was this the law of supply and demand, which the planners claim has failed to combat high prices?"

The buying and destruction in 1946 and 1947 of surplus potatoes, under the price support program, also added to inflation, as did the government's purchase of 300 million eggs, with eggs at 90 cents a dozen. Under the mandatory support program, the Department of Agriculture destroyed or rendered unfit for human consumption over 17,000 carloads of white potatoes, between March, 1947, and November of last year. In the Fall of 1947, while the Administration was launching its campaign to reinstate rationing and price controls, the government was actually destroying more food than it was collecting. During the brief reign of the Luckman Committee alone the government destroyed more than 1,000 carloads of good, edible white potatoes. These facts led Senator Williams of Delaware to charge in the Senate that "the administration is more interested in developing a food emergency, making it possible again to place the American people under a controlled economy, than it is in feeding the hungry of Europe."

Representative McGarvey also criticized the wisdom of the government planners, who would undertake to control the American economy under Truman's new program:

"Consider the law of supply and demand in relation to the thinking of the economic planners of the administration, who will control the whole of the American economic system if Mr. Truman's wishes are granted. Before our crops were harvested, they decided that so much of each crop was to be for export and so much for domestic use. Since they reached this decision, the corn crop has been ruined. Have they changed their plans to bear some reasonable relation to the amount available? The answer is 'No.'"

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As a matter of fact, by year's end government procurement policies had boosted the wholesale commodity price index from 141.5 to 162 in a year (base year, 1926). In five months, the government had bought up about 400 million bushels of grain and in one two-week period it had bought more grain than had been exported in an entire year. This, in spite of the unexpected failure of the corn crop!

Undoubtedly, most of the government planners mean well. Yet the road to Hell is paved with good intentions. And short of complete government control it is almost impossible to predict the results of any planning for an economy as complex as ours. All our experience with selective controls leads to the conclusion that they are undesirable and do more harm than good.

If the Truman program is impracticable, we are still faced with the basic problem of run-away inflation. Unfortunately, the only measures which promise permanent recovery are politically unpalatable, more dangerous for both parties than either "let drift" policies or some degree of planning. Basically, elder statesman Baruch was right last year when he called for greater production to solve the inflation problem. At that time, he prescribed a longer work week, harder work from every American, to increase production so that it would meet unprecedented demand. To no one's surprise, Baruch's proposal was not endorsed by any leading political figure; only a politically unambitious man would face organized labor with a plan for a 48-hour work week.

Federal Reserve Board Chairman Marriner S. Eccles recently gave new expression to the same doctrine. "Production is the ultimate solution for inflation;" production must be increased by harder work and longer hours. Concretely, Eccles proposed voluntary lowering of prices and profits, voluntary wage ceilings. The government, he declared, should maintain high tax rates and reduce the federal debt—an equally unpopular notion.

The alternative offered by my opponent, i. e., haphazard government controls on prices and wages, will certainly do more harm than good. First of all, even the planners are reluctant to outline specifically the program they have in mind, if any. *What* goods and *whose* wages are to fall under the regimentation has been purposely left vague. How and why the proposed program will work in peace-time when the O.P.A. could not keep down prices in war-time, my opponent does not explain. He relies on the assumption that any controls are better than none: "To the ordinary American citizen, the need for government action is more than obvious." On the contrary, to those citizens who are aware of the government's part in keeping prices up and even forcing prices up, it is obvious that the time has come for the government to relinquish its haphazard planning and allow the economy to return to the free enterprise system.

When my opponent charges that the end of O.P.A. did not result in a stable free economy, he treads on dangerous ground. Too many government controls were left on, too many government agencies were constantly interfering with the workings of industry and agriculture, to permit any such generalizations.

Basically, Bernard Baruch and Marriner Eccles have put their finger on the real solution, the free enterprise solution, to the inflationary spiral: increased production. Naturally, my opponent, seeped in the doctrine that the capitalist system cannot help itself, merely laments the fact that production in the United States has reached capacity. He offers no proof; he has no proof to offer. The economic history of the United States so far gives the lie to this pessimistic dogma; continually expanding production has been one key to the greatness of the country. That American production can no longer be expanded is unthinkable. If the administration would recognize the role it continues to play in rising prices and revise its own policies, the economy would soon stabilize. Only a free economy can produce the goods that make this country great; only the workings of a free economy can cure inflation. Partially planned economy will result in even greater dislocations; totally planned economy will cause a complete breakdown. There is no doubt of the road we must choose; price and rationing controls should not be reimposed on a peace-time America.

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Lonely Event

The deeper in the wood he went,
The stiller, darker grew the wood
That claimed him for its own at last;

Whatever he had known was past
And lost, the evil with the good,
Whatever good and evil meant.

He stopped, and looked, but all around
Was nothing but the wooded, dim
Twilight;—he listened, and he heard

Nothing at all where nothing stirred.—
And suddenly, and hid from him,
And further on, and high, the sound

Of one bird calling, that had found,
Alone and late and nearly spent,
The word for late, and for alone.—
And bird in tree, and man aground
Were in that loneliest event.

A Man Turns Back

A vast and grieving loneliness was there,
Among vast hills, and vaster yet than they,
As though it took the stars and hills to wear:
The trinket stars by night, the hills by day.

Between the earth and the great sky it stood,
Touching them both, scarce room enough between:
The grass that fringed its feet was the summer wood,
The sky-wastes cloaked its shoulders, blue and green.

How should a man proceed? . . . A man turns back,
Out of a night too crowded, too obsessed,
Too given over to enormous lack . . .
A man turns homeward where is room and rest,

And something small and lonely in himself,
That listens to the clock upon the shelf.

—DAVID MORTON

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COUNTRY COMMENT

It is only two and a half years since President Truman was playing Beethoven's "Minuet in G" for Prime Minister Churchill and Premier Stalin in Potsdam "as a musical climax to his state dinner." According to the A.P. dispatch of July 20, 1945, it was at the joint request of Stalin and Churchill that the President played. When since that historic evening have Britain and Russia and the United States been heart to heart and seen eye to eye?

"The President sat down at the keyboard after an American pianist, Sergeant Eugene List, had scored a strange triumph in winning two toasts from Premier Stalin and a warm handshake from Mr. Churchill. . . . Premier Stalin was delighted. He sprang from his chair, walked to the beaming pianist, shook his hands, drank a toast to his health and asked him to play more. Which number the Soviet leader requested was not identified. He is known to be fond of a number of Russian drinking songs as well as many songs of the Volga, the Caucasus and the steppes."

Cordiality ran high. "Through the interpreter, Generalissimo Stalin and President Truman engaged in an animated discussion of their respective preferences in folk music. Then Mr. Churchill called for the "Missouri Waltz."

Since that memorable evening our foreign policy has changed. Secretary Byrnes pursued firmness and patience. Secretary Marshall is pursuing patience and firmness. But can anyone say that either policy has begun to have the brilliant results that a single piano had in July, 1945? Clearly what the world needs is more music at the highest level.

If anyone says that the President of the United States is too busy to go again to Europe to play for his fellow-statesmen, then I say that the President is not too busy to do anything that has a chance of saving the peace. What the world needs is more joint requests.

Couldn't Mr. Truman and Mr. List between them work up an even more effective program than was possible during the hectic last days of the war? It would include a generous group of drinking songs as well as songs of the Volga, the Caucasus, and the steppes, perhaps "The Missouri Waltz," and of course the Beethoven minuet.

Who will say that such a program might not charm the Russians into doing what the whole European Recovery Program, designed to contain communism and costing upwards of twenty billions of dollars, may fail to do?

Yes, Mr. Truman, a few drinking songs, "The Missouri Waltz," and the "Minuet in G."

ROBERT FRANCIS

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The Loyalty Board

THE magnitude and scope of our concern for international peace and prosperity must not obscure the fact that, at bottom, the crisis of our age is the crisis of the individual. What is to be his fate in our age? Beyond the elementary but fundamental question: will he survive, lie the equally fundamental, if secondary, considerations: what are his rights, what is his relation to the state?

As Miss Ellis has pointed out in the first article of her series on "American Civil Rights in a Revolutionary Age," the current struggle for power is complicated by the fact that the two major contestants, the U.S.S.R. and the United States, have two radically opposing philosophies of the individual.

The pressure of the philosophy opposed to ours has forced upon us a reconsideration of our traditional concepts of individual rights and liberties and of our institutions and judicial practices.

FORUM presents below the statement of Seth W. Richardson, chairman of the Loyalty Review Board of the United States Civil Service Commission, outlining the aims and procedures of the Board. The statement raises a fundamental issue: the right of the accused to confront and cross-examine witnesses.

* * *

The proposed loyalty program represents a comprehensive effort to weed disloyal employees out of the government service. Due to the immediate importance of the program, to the large number of government employees, and the evident nation-wide interest in the general subject of employee disloyalty, I have thought it advisable, as the program now will go into general operation, to present to the general public an over-all picture of approximately what we propose to do.

I suppose that all good citizens would agree that disloyal persons ought not to remain in the employ of the government, but keeping them out or getting them out presents substantial difficulties. The government itself has been interested in the subject for some time. In 1939 Congress passed legislation commonly known as the "Hatch Act," withholding pay from persons belonging to disloyal organizations.

Since 1941, Congress has inserted similar language in each of its appropriation bills.

The United States Civil Service Commission in 1940 declared that, as a matter of policy, it would not certify for employment the name of any person who was a member of the Communist Party, the German Bund, or any other Communist or Nazi organizations.

Despite these efforts on the part of the government, lack of uniformity in application and responsibility for action brought about a Congressional investigation by the Seventy-ninth Congress, which resulted in the appointment of the President's Temporary Commission on Employee Loyalty, which was directed to propose a program to give adequate protection to the government in respect to elimination of disloyal employees. This commission gave considerable thought to the problem, but did not draft the outlines of such a program.

In due course there followed the Executive Order of March 21, 1947 (Executive Order 9835), which contemplated the establishing of procedures for the administration and accomplishment of an employee loyalty program and, in part, directed the creation of a loyalty review board by the Civil Service Commission, in aid and furtherance of such program. Congress approved the program and appropriated $11 million to effectuate it. Thus the resulting loyalty program may rightly be said to be genuinely bi-partisan.

In accordance therewith, the Civil Service Commission established the present Loyalty Review Board for the purpose of carrying out the directions of the Executive Order, which, as I have said, contemplated the establish-

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ment of the essential machinery to carry into effect a comprehensive employees loyalty program. The board thus established has now perfected its organization, adopted rules and regulations for the board, together with far-reaching rules and regulations calculated and intended to establish a loyalty program procedure throughout the government. What this program is, and what our plans for operating are, I shall try to state.

It must be observed that this loyalty program applies only to government employees, and of course not to citizens in general.

It seems obvious that the initial and essential working basis for such a program depends upon the immediate development of a system of searching employee investigations in order to ascertain facts relevant to employee loyalty. The field is exceedingly broad since there are in the government service, and thus within the scope of the loyalty program, approximately two million federal employees.

In connection with the required basic investigation thus referred to, and with the approval of the Attorney General, the board proposes to turn to the Federal Bureau of Investigation for cooperation and assistance. This bureau has been an active, dynamic, fact-finding agency in the government field for many years. Under present objectives, its agent personnel is made up, in a large part, of educated men, carefully selected, and usually with degrees either in law or public accountancy. In its investigative work through the years, I think it has met with the general approval of the country at large. It would be difficult to suggest any other investigative agency available to the board, which would present qualifications in experience, training and public estimation, comparable to this bureau.

In order to cooperate fully with the aims of the board, the bureau has established within its own organization, a special course of instruction for agents who may be detailed to assist the loyalty program. Special regulations and instructions have been promulgated with respect to such agents, pointing out to them that proposed reports of bureau agents in connection with the loyalty program must not contain any opinions, recommendations or conclusions from the particular agent, that the sole aim of the agent should be to ascertain facts properly relevant to the question of loyalty, and, what is particularly important, that the agent should in no sense act as a prosecutor, but should be entirely free to report facts in support of loyalty, as well as facts indicating possible disloyalty. I am confident that the bureau will cooperate fully in preparing reports in line with these objectives.

When the report is completed by an agent, it will then go to the bureau heads in the regional office out of which such agent works and such agency heads will carefully review it, in order to see that the same is in accord with the controlling directions to the agent, after which the report will be sent to the bureau office in Washington, where it will again be scrutinized and considered, and then, and only then, will the report be issued by the bureau for use in the loyalty program. It is the board's hope and expectation that this system will bring about uniformity of policy, and avoid any hardships that might be caused by illy considered reports.

Under the provisions of the Executive Order, it becomes the duty of designated government officials to appoint loyalty boards for the purpose of giving primary consideration to loyalty cases. It may be generally said that such boards are of two kinds: A loyalty board in each of the government agencies, whose work will embrace consideration of cases arising in relation to already employed persons, and regional loyalty boards, established by the Civil Service Commission, 14 in number, whose duty it would be to consider loyalty cases arising in connection with applicants for government employment.

The members of all these boards will be selected by responsible officials and in connection with their selection the greatest care will be exercised. Each of the proposed members will be most carefully investigated, to the end that an impartial, intelligent and competent detail of boards may be created. Each of these boards will have all necessary assistance of a legal nature, and will operate specifically under directives approved and issued by the Loyalty Review Board. It may be helpful to the public to explain, briefly, the procedure which we have thus formulated.

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Every employee of the government is presently required to furnish his or her fingerprints, together with an informational, factual personal statement in writing. This material, in the case of each employee will be transmitted to the Federal Bureau of Investigation where it will be checked against the bureau fingerprints records and any other records in the bureau relevant to any question of loyalty. If nothing of a derogatory nature is thus developed, no further attention will be given it by the bureau. We think the overwhelming majority of employees will be thus freed from further loyalty investigations.

However, if such investigation by the bureau disclosed derogatory matters or facts which might have relevancy to a question of loyalty, or if from other sources the bureau should be advised of such pertinent facts, it is then the duty of the bureau to proceed with a full and complete investigation of such particular employee. In such investigation, the bureau will have the advantage of reports of all governmental investigations of, or material concerning, the particular employee under examination, so that it may be said that the entire information in the possession of the government with reference to such employee will thus be funneled into the bureau for consideration in the bureau investigation.

When the investigating agent shall have completed his investigation, and the bureau shall have finally approved his proposed report, such report will go to the head of the department in which the particular employee is employed, or, in the case of an applicant for employment, to the regional office in the area in which the application shall have been made.

Upon receipt of such report by the proper official, it will be at once presented to the appropriate loyalty board, whereupon such board must examine it, and, if from such examination, it is satisfied that no reasonable basis for questioning the employee's loyalty exists, it will so report and the entire investigation is thereupon closed. Here again, I expect many employees to be freed from further loyalty investigation.

Moreover, it will be observed, that, up to this point, all of the proceedings looking toward the investigation of a particular employee are intended to be kept entirely secret, free from any publicity, and very probably, in many cases, without even the knowledge of the employee under investigation. The board has approved such closed procedure, believing that questions as to employee loyalty are so important that such an employee should be carefully protected against any possible disclosure that his loyalty is under scrutiny, until a hearing shall have been held and a preliminary determination reached.

However, if from an examination of the bureau report, the agency loyalty board or the regional loyalty board, as the case may be, is of the opinion that possible derogatory facts exist which require explanation, then it is the duty of the board, if an agency board, to prepare a letter of charges for presentation to the particular employee involved. We shall make every effort to see that this letter of charges sets forth clearly the facts upon which the question of loyalty will depend, and that such facts are stated in the fullest permissible detail, to the end that the employee may be fully advised as to the charges against him, in order to prepare his defense.

With respect to regional boards, instead of a letter of charges, written interrogatories will be issued by the regional board covering every fact upon which a determination of loyalty or disloyalty is to be made by the board, and with the same attention to detail stated above.

In all cases, if the employee desires a hearing, a speedy hearing will be granted him, and at such hearing he will be permitted to appear personally, and if he so desires, to be aided by an attorney or other representative, with full right to introduce his evidence. The proceedings in such hearing will be duly transcribed, and, upon demand, a copy of such transcript will be furnished to such employee.

The hearings will be private, for the reasons I have heretofore indicated, and no persons will be permitted to be present except essential government representatives, the board, the employee, his attorney, and his witnesses.

Thus it will be observed that the F.B.I. report occupies an exceedingly important position in the establishment of the facts upon which an ultimate determination as to loyalty will be made. It should be clearly understood that the F.B.I. reports are not binding on the board. Indeed, the fact of non-confrontation

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of witnesses, since it operates to the disadvantage of the employee, is a fact to be considered in the adjudication, and such fact will be weighed with other facts in determining whether or not an individual is disloyal. It is important, therefore, to observe that for reasons noted hereafter the employee will not be permitted to examine or inspect this report of the bureau, at any time, and such deprivation gives rise to one of the very controversial points involved in the operation of the entire loyalty program.

The point has been vigorously presented to us as follows, "Every employee accused of disloyalty should be given the right to confront his accusers, and subject them to cross-examination." This contention has obvious force, and presents grave considerations to us. Why have we been unable to accept it?

In nearly all cases the bureau secures the facts for inclusion in its reports from confidential sources, many of them closely connected with considerations sounding in national security. We are advised by the bureau, that, in its experienced opinion, practically none of the evidential sources available will continue to be available to the bureau if proper secrecy and confidence cannot at all times be maintained with respect to the original source of information, and that if the source of such information is to be disclosed—save in the exceptional cases—the bureau can be of much less service to the board in making the essential basic investigation.

In cases where sources of evidence are not confidential, and disclosure of sources, possibly with pertinent oral testimony, will not tend to hinder or impede the investigative work of the bureau, we will make every reasonable effort to extend the scope of the evidential source disclosure, to the affected employee, at the hearing. But it must be appreciated that in the great majority of the cases, we apprehend that disclosure of evidential sources to the employee, and the resulting opportunity of cross-examination of such sources by him, will probably not be practicable.

We recognize that the use of such a report as evidence by the various loyalty boards, without disclosure of the contents to the employee, does subject the employee to non-confrontation of witnesses against him, and does deprive him of the right of cross-examination of such witnesses—a situation which ought to, and does, give rise to most serious questions in the minds of the general public. So serious is such a situation that it has been strongly urged upon us by responsible persons, that, rather than permit such a situation to exist, the entire loyalty program should be abandoned, even if the government should thereupon be compelled to cease attempting to screen out disloyal employees.

RIGHTS OVER EMPLOYEES

We have given the matter the most careful consideration, and we can see no way in which the loyalty program may have the benefit of the skilled investigation of any competent investigative agency, and particularly of the Federal Bureau of Investigation, unless the facts received in confidence by the investigators can be kept entirely confidential at all times and under all conditions.

We were, therefore, faced with the decision whether to refuse at all times to disclose the bureau report to the employee—save in the exceptional cases noted above—or to advise the Civil Service Commission that, in our opinion, the proposed loyalty program as planned should not be permitted to function.

After the most careful consideration, we have concluded that the objection to non-confrontation and no cross-examination, while important, is not essentially controlling.

In the first place, the board is of the opinion, that, legally, the government is entitled to discharge any employee for reasons which seem sufficient to the government, and without extending to such employee any hearing whatsoever. We believe that the rights of the government in that respect are at least equal to those possessed by private employers. We also think that the government, if necessary, may conclude that any suspicion of disloyalty whatsoever, however remote, might, in view of the dangerous possibilities involved, suffice to warrant employee dismissal without hearing.

Having in mind what we have thus indicated the board believes are the basic legal rights of the government, and in an effort to avoid the serious objections indicated, we have endeavored to plan methods of procedure

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and determination in loyalty cases, calculated to minimize to the fullest degree possible, any possible injustice which might be visited upon an employee by reason of the government's refusal to disclose the bureau report and the original evidence sources.

To this end, and as I have pointed out, we will extend to each employee through a letter of charges or a bill of interrogatories, as the case may be, a detailed identification of the facts upon which the board proposes to consider the question of disloyalty. We will require a proper hearing on such charges, with full right to the employee to be present with his counsel and witnesses, and we have directed the delivery to the employee of a transcript of such hearing, if requested. Moreover, we shall specifically require the loyalty board to give careful consideration in its final determination as to whether, in the opinion of the board, the employee has been actually handicapped in his defense because of the nonconfrontation and lack of opportunity to cross-examine source witnesses. Moreover, under the Executive Order, a specific rule of decision is established, to wit:

"* * * Whether on all the evidence in the record, reasonable grounds exist for belief that the person involved is disloyal."

APPEAL TO SUPERIOR

In further protection to the employee, if the conclusion of the initial loyalty board should be unfavorable to him, the Executive Order provides for the right of appeal to the head of the agency or department, with a duty imposed upon such head to grant the employee a proper hearing and review, with a speedy determination thereon. This agency head is, under governmental procedure, a very important figure in the life of an employee, and we regard a review by him as of the greatest importance.

If the decision upon such appeal is again unfavorable, we have provided for a further appeal to our Loyalty Review Board, granting to the employee the right of appearance before a panel of the board, with his attorney or representative, and with a right of argument on the full record. Thereafter, the board may, in its discretion upon majority vote, review the decision of its panel. In the interest of uniformity, and to see that this procedure is properly followed, we intend to maintain a careful check on all proceedings in the various loyalty boards, the decisions made by such boards, and may, in our discretion, remand any proceeding back for further investigation, examination, hearing and determination. No such permissions have ever before been extended to investigated employees by the government.

When the scope of the review and hearing rights thus extended to the employee is considered, and in the light of the general public confidence in the Federal Bureau of Investigation, and the procedure the bureau has adopted in connection with the loyalty program, together with the testing rule requiring the ultimate establishment, under all the evidence, of reasonable grounds for believing that the employee is disloyal, we have felt that the government might justly carry on the proposed loyalty program, even though an affected employee may have had neither confirmation nor cross-examination of evidence sources under the agency report. If further experience shall change our minds in this regard, we shall not hesitate to so report.

We are not at all oblivious to the difficulties involved in the determination of questions sounding in personal loyalty. We intend to point out to all persons charged with the carrying out of our proposed program, that the probative value of evidence of past or present membership in, affiliation with or sympathetic association with, any one or more of the organizations now or hereafter designated by the Attorney General can be fairly evaluated only after determining, so far as possible, the character of the organization, the period, nature and duration of the association, whether the employee or applicant was aware of the subversive character of the organization at the time of such association, and the nature of his activities in connection with such organization.

It must not be forgotten that in considering the question of membership in disloyal or subversive organizations, each employee is presently required as a condition to employment, to state, under oath, that he is not a member of an organization that advocates the over-

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throw of the Government of the United States by force or violence.

We are insistent that our administration of the program shall not degenerate into a witch hunt. The board feels strongly that advocacy of whatever change in the form of government or the economic system of the United States, or both, however far-reaching such change may be, is not disloyalty, unless that advocacy is coupled with the advocacy or approval, either singly or in concert with others, of the use of unconstitutional means to effect such change.

The welfare of the civil service, upon the wisdom, independence, and morale of which the security of the United States is heavily dependent, requires that all employees, and all who may aspire to become employees, of the government, should not only be, but feel, free to join, affiliate, or associate with, support or oppose any organization, liberal or conservative, which is not disloyal.

We have therefore reached the conclusion that the proposed loyalty program can thus be reasonably effectuated without, in any unwise way, encroaching upon essential employee rights. We are persuaded that if, after three impartial examinations as to the fact, it is finally determined that reasonable grounds do exist for the belief that the employee is disloyal, the government ought not to be required to permit the continuance of such an employee in its service. We strongly believe that persons holding beliefs calling for a change in our form of government through the use of force or other unconstitutional means, who indicate these beliefs by association or conduct, and persons who demonstrate that their allegiance is primarily to some foreign power or influence, and that they desire to overthrow our government, have no constitutional or moral right to remain in, or enter upon, the service of our nation. In the meantime, the board will do its utmost to see that justice is done, that individual rights are protected as fully as may be, and that disloyal persons are removed from the service without injury to loyal employees resulting from charges which are without adequate foundation.

In far too many cases, there is heavy artillery in oratory combined with a blank cartridge in ideas.

—Norman Cousins, *Saturday Review of Literature*

Notice posted in the West End flower stall, London: "Take some flowers home to Mum or the missus. Don't forget your mother-in-law. Wreaths and crosses our speciality."

Teacher: Johnny, who was Anne Boleyn?
Johnny: Anne Boleyn was a flat iron.
Teacher: What on earth do you mean?
Johnny: Well, it says here in the history book: "Henry, having disposed of Catherine, pressed his suit with Anne Boleyn."

—*Transit News*

The stout old gentleman with the asthmatic look was breathing heavily as he tried to mount the steps of a bus.

"Take your time, pop," said the driver gruffly. "We've got all day."

"I'm trying," gasped the old fellow, "but I haven't got enough gas."

"You should eat more yeast," said the driver, "and you'd be able to rise."

"Yes," the elder agreed, hoisting himself triumphantly upward, "and if you had more yeast, you'd be better bred!"—*Alexander Cooperator.*

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CONGRESS DEBATES:
Inflation Controls

SENATE action, during the Special Session, on President Truman's ten-point anti-inflation program was focussed almost entirely on Point Seven in which Mr. Truman requested power "to authorize the allocation and inventory control of scarce commodities which basically effect the cost of living or industrial production."

The Republicans, under the leadership of Mr. Taft, found this request to be "totalitarian" and substituted a joint Senate-House Resolution calling for voluntary agreements among business, industry, and agriculture. Limited immunity from the anti-trust laws was granted to those making the agreements, with the approval of the President.

Mr. Barkley, Senate minority leader, made repeated efforts to strike out by amendment the section of the resolution granting immunity from the anti-trust laws. The Republican Senator from Oregon, Wayne Morse, crossed the aisle and voted with Barkley, protesting, as a Republican and a lawyer, the lifting of the anti-trust bans. To no avail. The resolution was passed.

The Republicans, traditional sponsors of anti-trust legislation and outspoken advocates of free enterprise and competition, thus reversed their historic role as there seemed to be no way to get voluntary agreements except by granting this immunity.

The debate that follows[1] illustrates not only that the Republicans are on record for voluntary controls to combat inflation, but more significant in view of November, why they adopted this seemingly paradoxical course.

POINT SEVEN

Mr. TAFT, Republican, of Ohio.

7. To authorize the allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production.

That is a proposal which is contained in a bill which was offered, I think, by the Senator from Kentucky; and it would give the Government the same kind of power—complete power—which the War Production Board had to limit inventories and set up material allocation programs and plans and allocate the distribution of all goods—an over-all control of an extremely totalitarian character, if it should be entirely used.

It is stated by the Secretary that it will be used only selectively in a few cases. There is very considerable opposition. We had many requests from industries to be heard in opposition to it. It became apparent very early in this session that we could not possibly complete consideration of that question at this special session of Congress before the Christmas holidays. So we searched to see what we could do to get this matter started.

The pending joint resolution proposes that the President shall begin to undertake to do this voluntarily, so far as possible. The witnesses before the committee and the President himself have indicated that they hope to accomplish the great bulk of what can be done in this field—that is, removing bottlenecks by allocating commodities to places where they are particularly needed—on a voluntary basis. The proposal of this measure is that we give them now the authority to do so on a voluntary basis, and then proceed to consider where compulsion may be necessary; and if compulsion is found to be necessary, we should take up that question following this session, in any particular field or place where such compulsion may be necessary. Personally I would not be in favor then of granting selective power. If selective power to allocate is to be used, I think the Congress should make the selec-

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1 *Congressional Record, Senate*, Vol. 93, No. 166, pp. 11622-11627; No. 167, pp. 11702-11704, 11710-11711, 11723, 11728-11729.

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tion, because my experience is that if we grant over-all powers to an executive agency, a new bureau is set up to administer them or an existing bureau is designated to administer them, and gradually that agency spreads out until it comes to exercise those powers over the whole field.

* * *

MR. ELLENDER, Democrat, of Louisiana. Is it not a fact that except for possible violation of the anti-trust laws, the President already has authority to do everything that it is now suggested that he do under the pending joint resolution?

Mr. TAFT. That is correct.

Mr. ELLENDER. As I understand the proposal, it is that the President himself shall initiate the whole plan, that is to say, he will ask various manufacturing concerns to enter into voluntary agreements as provided for in the joint resolution. Suppose such voluntary agreements are entered into in the way that is contemplated, what penalties, if any, will attach for violation of such agreements?

Mr. TAFT. The first penalty would be the granting of authority to put it on a compulsory basis. If the industry is not going to cooperate, we shall have to ask for additional authority to enforce the agreements.

Mr. ELLENDER. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. ELLENDER. But until that is done —which would mean additional legislation— there would be absolutely no way by which any agreements thus entered into could be enforced. That is correct, is it not?

Mr. TAFT. I think it would be possible to write an agreement so that the other parties could sue the violator for damages. Yes; that could be done. In such an agreement there could be a penalty clause for liquidated damages. I think that could be done.

Mr. ELLENDER. But there would be no obligation, would there, which would require all manufacturers of one product or commodity, let us say, to join in such an agreement?

Mr. TAFT. No; there would not. This is to be on a voluntary basis.

Mr. ELLENDER. It is to be purely voluntary. So that the producer of one product could not force his competitor to join in any agreement. Does the Senator from Ohio think it will work?

Mr. TAFT. Yes; it will work. Let me read what Secretary Harriman said about the necessity of the anti-trust law provision. He said:

HARRIMAN STATEMENT

> Secretary HARRIMAN. I think you have to put the controls on, sir, and work cooperatively and simultaneously—work to get full cooperation. The President has inaugurated a food-conservation program which is off to a good start. It will take some time, however, before its full effects will be felt. It is impossible, in terms of dealing with some of the cooperative action that I speak of, with industry, not to have at least the reserve powers which I describe in order to make effective, in many cases, the desires of the majority of an industry, because it is necessary, in many cases, to get all of the members of industry to conform to the program, as otherwise those who wish to work cooperatively are unable to do so.
>
> In addition, the inhibitions of our anti-trust laws frequently make it impossible for industry to sit down and discuss production and distribution questions without jeopardizing themselves and placing themselves in the position of possibly being accused of violation of our anti-trust laws.

That is Secretary Harriman's statement. That explains very clearly the necessity for the clause which provides that they may be exempted. If, for instance, the steel companies agree that they will limit their supply of steel to some non-essential industry, if they sit down around the table and agree to that, the non-essential industry can bring a suit against them for triple damages tomorrow, under the Sherman Act. But if we exempt them from the effect of the anti-trust laws, with the approval of the President only they can enter into such an agreement on allocation of priorities which have an injurious effect perhaps on some other industry—but only with the approval of the President.

Mr. COOPER, Republican, of Kentucky. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. COOPER. In support of the argument the Senator is making, I should like to say that in the hearings on the proposal, Mr. Harriman's testimony was heard on the voluntary allocation of steel for freight cars, the shortage of which constitutes, as everyone

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admits, one of the great bottlenecks. Testimony was presented from the Office of Defense Transportation that since January of this year two requests have been made of the steel industry for voluntary allocation for the manufacture of cars, one for 215,000 tons in the month of January and later for 250,000 tons, in July.

Mr. TAFT. For freight cars?

Mr. COOPER. Yes. The testimony was given that in each case the administration had the full cooperation of the steel industry. The witnesses for the Office of Defense Transportation went further and testified that one factor which had prevented greater success in the car-building program was the fear of the steel people that they would be subject to prosecution under the anti-trust laws because of their voluntary agreements. They indicated an exemption from such anti-trust provisions would bring about better results in voluntary agreement.

Second, I should like to say that in the testimony that was heard, several representatives from the various governmental departments stated that it would take at least 3 months to organize their departments and to organize agencies which could effectively administer compulsory controls, even if the Congress should adopt them today. For this reason it seems to me that voluntary agreements provide a method of securing action now, while more drastic methods are being considered.

Mr. TAFT. I agree with the Senator. Incidentally, it would take nearly 2 or 3 months to set up the machinery actually to undertake the control of inventory production. It took the War Production Board nearly 2 years to get around to what they considered effective controls.

Mr. BARKLEY, Democrat, of Kentucky. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. Under the language of the joint resolution, how long will it take the President to consult all the industrialists of the United States and get them together to enter into a voluntary agreement? How much longer would it take to set up some sort of machinery by which he might impose compulsory or mandatory allocations, than for him to consult them, under the language of the bill, and bring about the same result voluntarily?

Mr. TAFT. The President can go at only one thing at a time.

Mr. BARKLEY. It would take longer for him to cover the whole country in these consultations, and then have them make an agreement, than to set up some sort of machinery by which it might be done by some kind of mandatory regulation.

* * *

Mr. ELLENDER. But if the voluntary method does not work, the Senator himself will advocate, in the near future, as I understand, methods by which it can be done legally and by force?

COMPULSORY MEASURES

Mr. TAFT. In the field of allocation and priority control, yes. But I should like to do it in a particular case; that is, I do not want to grant general authority to do it. If the steel industry requires it done, then I would confine it to the steel industry. It might be that in the steel industry it could be limited, say, to the assignment of 10 per cent of the total production for special purposes required. I am always in favor of limiting powers, and I think Congress ought to proceed along that line. The Price Control Act was full of provisions for voluntary agreements with industry, but the OPA entirely ignored them. For all practical purposes no such agreements were ever attempted to be made, because the OPA had the power to act without them, and they preferred to use the power. I suggest that it is better to provide first for a voluntary procedure which the departments say they desire first to use, and then, if that fails, when we come back here we can take further action. . . .

Mr. ELLENDER. In other words, Mr. President, I imagine the proposed voluntary method of inflation controls is to be used somewhat in the nature of a big stick, that unless it is done by big business on a voluntary basis, look out. Take heed. We are coming back in January.

Mr. ROBERTSON, Democrat, of Virginia. Does the Senator from Ohio think the voluntary program would be improved if we

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struck out the prohibition against an agreement to fix prices? The President, of course, would not approve an agreement to increase prices. What good purpose would be served by prohibiting his approving an agreement to lower prices, if the major suppliers of a given item were to get together and agree, "We are going to cut down the prices; we will stick together to cut them down?" Why could not those three or four words constituting the prohibition be eliminated?

PRICE FIXING

Mr. TAFT. We considered at some length, originally, with the House, the question of whether a voluntary agreement should extend to a question of price. After long consideration we thought it should not. That would be in effect going back to the days of the NIRA. If an effort is to be made to affect price at all, my inclination is to think it should be by a compulsory control. I do not like to return to something similar to the NIRA, which I do not think worked successfully. I think, in that field, it may well get to a point where industry has too much to say about fixing prices. It is our theory that either the price system is right and will itself correct inequities, or the Government should be allowed to regulate it. If the price system is right, we had better let it operate free from the controls of industry, as well as free from the controls of the Government, or of Government and industry jointly. I think that the moment we try to authorize an agreement respecting prices, we run into a much greater violation of the spirit of the anti-trust laws. I think it would be mistake to go into the question of voluntary agreements to fix prices, even if it were in order to obtain lower prices.

Mr. ROBERTSON, of Virginia. Is it not true that we face a situation which is just the opposite of what was faced in 1934? The NIRA agreements were to raise prices; they were to take care not only of the efficient operator, but the inefficient operator. It was the vice of the NIRA that an agreement was made that would take care of a reasonable profit for the inefficient operator. The essence of inflation is that prices are rising too high. All the proposals for legislation in the Senate I assume are aimed at keeping prices from going higher and perhaps at finding some way of bringing them down again.

Mr. TAFT. I think the major issue of price control will have to be debated by the Senate at some length, with a considerable reference to whether prices are too high, and to a determination of what prices are too high. That cannot be done at the special session. I do not like, even by voluntary agreement, to go into the question of giving people the power to fix prices, or of giving it jointly to Government and industry. That itself is, I think, open to serious question. I am willing to admit that the question is open to debate.

Mr. ROBERTSON, of Virginia. I am wondering what would be accomplished under a voluntary agreement with respect to prices, if it were an agreement to lower prices. What could be agreed upon that would help keep prices down?

Mr. TAFT. It might be an agreement for the allocation of goods, the effect of which might be to increase production in such a way as to bring prices down. After all, the whole price question in its ultimate analysis is one of supply and demand. It is a question of whether there are sufficient goods, or of whether the supply of goods is greater than the demand. If the supply can be increased sufficiently, it will solve the price question.

Mr. BARKLEY. I was very much interested in the inquiry propounded by the junior Senator from Virginia [Mr. ROBERTSON], because when I read the provisions of the bill authorizing agreements, authorizing the President to consult industry in order to make agreements, I was somewhat surprised to find a provision at the end of one of the paragraphs prohibiting any agreement or prohibiting the President from approving any agreement to fix prices.

What we are all talking about now and what the country is thinking about is prices. The average man may not understand all the ramifications of inflation. He may not know the technical definition of inflation. He may not know just how it comes about. Every man and every housewife knows when prices go up. They know how to compare prices at this time with those which prevailed a year ago or 2 years ago or 5 years ago. So it seems to me the committee has gone out of its way to say

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to the President and to industry, "You may agree on everything; you may come before the country with an agreement in regard to everything; but do not touch the sacred precinct of prices, because if you do the President is prohibited from approving any such agreement."

Mr. TAFT. I wish to make a suggestion to the Senator from Kentucky. The moment an agreement with respect to prices is made, whether it provides for lower prices or not, that agreed price becomes the price in the industry. That agreement fixes the price. It eliminates the whole element of competition.

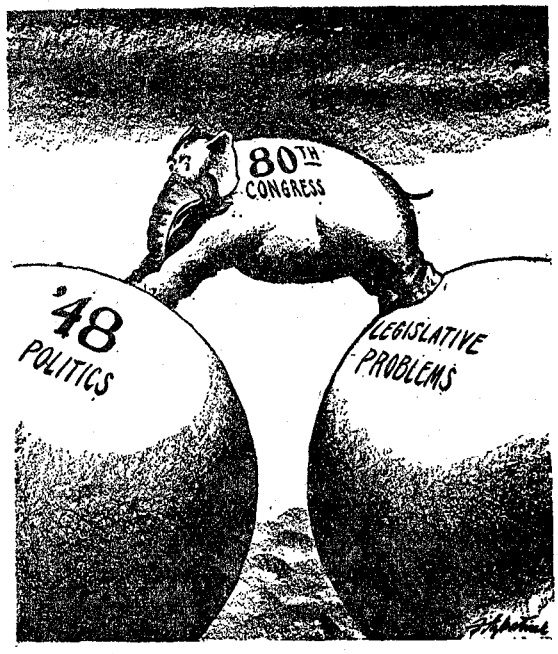
Mr. BARKLEY. Not necessarily.

Mr. TAFT. Yes; in effect it does. The moment an agreement is entered into with respect to price it fixes a price, even though it is a maximum price.

Mr. BARKLEY. The Senator knows that one industry, or one component part of the industry, hesitates to take the initiative in regard to reducing its own prices. Very naturally it will say, "Everyone else is getting this high price. Why should we voluntarily reduce ours?" So there will be no voluntary reduction in prices unless the industry engaged in the production of certain commodities agrees upon it.

The Senator has said that no matter how much an industry might justify cooperative action in the reduction of prices, the President cannot approve such an agreement as that, and the members of an industry cannot enter into it. It seems to me that such a prohibition is wholly unnecessary, and that industry and the President, according to the theory of the bill, ought to be left free to determine what sort of agreements are to be made, if action is to be on a purely voluntary basis, which frankly I do not think would be very effective.

Mr. TAFT. My feeling is very strong that we want to keep competition alive. The moment we permit the members of an industry to get together and fix a price, even though it is a maximum price, it becomes the minimum price, and competition therefore is eliminated in that particular industry. I do not think it is true that people do not reduce prices because others are not reducing them. Many people have reduced prices without waiting for other members of the industry to



Fitzpatrick in *The St. Louis Post-Dispatch*
"TWO WORLDS"

do so. What we must bring about is an increase in the supply and a decrease in demand, which will make competition operate to force people to reduce prices. My own belief is that a voluntary agreement about prices in effect fixes the prices and removes competition, and in the end will do more harm to the cause of low prices than good.

Mr. BARKLEY. Mr. President, will the Senator again yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I should like to discuss for a moment the Senator's other proposition respecting the voluntary features of the bill, with a sort of a big stick held behind the congressional control, that "if you do not behave under the voluntary system we will come in and take the stick from behind the door and use it." Is it the Senator's viewpoint that, if the voluntary system is tried out, and if Congress then discovers that in the steel industry the plan does not work satisfactorily, therefore a bill should be passed providing for compulsory imposition of controls, or allocations, or priorities in the steel business; then a month or two later, if we find that the voluntary system had not worked in the meat industry another bill should be brought before Congress which would accomplish the

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same purpose, and so on ad infinitum? That would simply be like Congress, by legislation, trying to fix railroad rates one at a time. Especially would that be true if Congress were not in session for the period, under the Reorganization Act, from July until January. Then whenever it was discovered that the voluntary arrangement had not worked Congress would have to be called back into extra session to pass another law providing compulsory controls in some particular fields. It seems to me the Senator's position in that respect is subject to the charge that it is a most tenuous sort of treatment of the whole subject over a long period of time by dealing one at a time or two or three at a time with the proposals in regard to compulsory allocations.

Mr. TAFT. So far as allocation and inventory controls are concerned, I may say that the representatives of the Government have been wholly unable to point out more than one or two industries in which they think they are needed. Why on earth should we give power over a thousand industries in order to meet the Government's request with respect to one or two industries? I think we ought to ask the representatives of the Government, "Why do you want to control steel? Why do you want to control this other commodity? What are the problems?" If there are a number of problems, they can all be lumped together and provided for in one bill. I do not care about one bill at a time being considered. But it seems to me that before we impose this kind of control on any industry someone ought to come before Congress and say why it is necessary, and what kind of plan cannot be carried out voluntarily. Today there is no such evidence respecting allocation or inventory control before Congress. Mr. Harriman cited a few instances, mostly in the steel field and in the distilling field. Outside of that I know of no case where anything can be accomplished by the control of allocation and inventory.

Mr. President, on this general subject I invite attention to section 7 of the bill prepared by Secretary Harriman and sent here for introduction. Section 7 provides as follows:

> SEC. 7. (a) Whenever a governmental officer or agency which is authorized to and could exercise mandatory powers and to impose mandatory controls with respect to a given material, commodity, or facility, under this act, determines that a plan of voluntary action with respect to such material, commodity, or facility is practicable and is appropriate to the successful carrying out of the policies set forth in said act and would make unnecessary an exercise of the mandatory power conferred thereby with respect to such material, commodity, or facility, that agency or official may request in writing compliance by one or more persons with such plan of voluntary action as may be approved by the Attorney General. Any act or omission by such person or persons in compliance with a written request made pursuant to this section and with a voluntary plan promulgated thereunder shall not be the basis at any time for any prosecution or any civil action or any proceeding under the anti-trust laws of the United States or the Federal Trade Commission Act.

In the first place, Secretary Harriman's bill very clearly implies that he thinks a plan of voluntary action may be successful and may make unnecessary the exercise of any mandatory power; and if that is so there ought to be exemption from the operation of the anti-trust laws. What we are doing is exactly the same thing. If there is objection to the particular language used in this measure to accomplish that purpose I am perfectly willing to consider an amendment along the line of the Secretary's bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. That language is coupled with language of the bill which the Senator did not read, giving the President authority to bring about mandatory allocations.

Mr. TAFT. That is correct. The Harriman bill contains both proposals.

Mr. BARKLEY. So it is a combination of the voluntary and the mandatory. It seems to me that that is a wise alternative. With the power to allocate, provide priorities, and so forth, if the President or the department which would be designated under the act to enforce the law should find that the voluntary system was workable and practicable, authority could be granted to institute it. But in the event that it was not workable and did not succeed, they would have this mandatory power, which is granted in the proposed bill, which would not make it necessary for them

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to come back to Congress every time they found a failure in the voluntary system.

Mr. TAFT. I quite agree that the proposed bill covers both.

* * *

Mr. O'MAHONEY, Democrat, of Wyoming. What I undertook to say—and this is as serious a statement as I could hope to make upon the Senate floor—was that we are now called upon to determine whether, in what we all recognize to be a serious economic crisis, the steps to regulate that crisis in the public interest shall be taken by the people's Government, or shall be taken privately, by a private company.

I contend that it is no answer to this argument to say, "But the President can approve or reject. The President, under the measure before us, can call industry into session and ask them to make voluntary agreements. They may not agree to his request. If they present an agreement which he does not like, he may disapprove it." That is no answer, because in the present crisis it means only that we are delegating to the managers of big business the power to do the job which we ought to do. We are putting it into their hands to be able to make an agreement which will be disadvantageous to the little businesses of the country, disadvantageous to the areas that we represent, and then force the President to stand before the public and say, "No; I refuse to do this."

ANTI-TRUST LAWS

The Senator from Ohio quoted from the testimony of Secretary Harriman before the Joint Committee on the Economic Report and contended from it that the Department of Commerce is trying to have some type of voluntary agreement made by the leaders of industry, and that this is only an attempt to do the same thing by law. Ah, Members of the Senate, look at the difference between the two. The anti-trust law stands today without any exemption, and when the Secretary of Commerce sits down with the heads of any industry, they know that the anti-trust law stands over them, and they would not dare to present an agreement in violation of that law. But, give them the power to go into conferences agreeing upon the allocation of materials in short supply, add to that an exemption from the anti-trust law, and there would be given into their hands a weapon with which they could destroy the structure of the free economy.

That is the issue here. It is an issue which has been growing for 50 years. Oh, I know there are many Members of Congress and many others in the United States who think that free enterprise is in danger only from the Government. There is no Member of this body who will more vigorously fight arbitrary controls by Government than will I, but I know, and the record is here before the Congress, that private control over our economy has been growing by leaps and bounds.

I ask the Senators of the United States to go to the Congressional Library and take down Monograph 29 of the Temporary National Economic Committee, which shows, with facts which cannot be denied, that 200 large corporations control the economy of the United States. Those are the facts. They cannot be denied.

On Monday, I discussed the appalling increases of profits made by these groups, corporation profits running at their highest peak in history, so that 9 months of 1947 have even exceeded the record of the whole of 1946. Since that time I have checked the figures which have been gathered by the Department of Commerce in its Survey of Current Business, for November 7. Referring to Table No. 5, that table shows that the profits after taxes of the 200 largest manufacturing corporations in the United States have increased 32.7 per cent between 1943 and 1946. The story is clear: The small businessmen of the United States, in your State and in my State, Mr. President, are compelled now to do what they are told by big business, unless the anti-trust laws prevent it.

I read in the press—I do not know whether it is true—that the majority leadership on the House side reported the Wolcott bill and said to the Members of the House of Representatives, "You may not amend it—take it as it is, or leave it." That is the pattern we are now asked to present to the people of the United States and to the President of the United States. Are we fearful of giving the President a little authority?

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Mr. President, the Joint Committee on the Economic Report today agreed unanimously, I think, upon certain recommendations that had been made by the President. In that report were certain expressions which seem to me to apply directly to the issue here presented. Let me read. This was the discussion of the recommendation of the President to restore consumer-credit control. The Senate has adopted that recommendation, so far as installment credit is concerned. This is the sentence in the unanimous report of the Joint Committee on the Economic Report, presided over by the distinguished and able senior Senator from Ohio:

> Voluntary efforts to curb the liberalization of credit practices, with consequent expansion of installment credit, have not been adequate, as is demonstrated by the prompt loosening of installment-credit terms with the ending of regulation W on November 1, 1947.

My point is that voluntary regulation of the allocation of commodities in short supply will likewise be inadequate.

The same group endorsed the President's recommendation for an extension of export controls. What do export controls mean? They mean only that the Congress of the United States has given to the executive branch of the Government, that is to say, to the President, the mandatory power to say what a private owner of goods in the United States may send abroad. Is that not right? It is Government interference with the freedom of export trade by individuals.

Listen to the discussion by the Joint Committee on the Economic Report of the necessity for export control:

> Under normal conditions the markets for foreign exchange can be relied upon to keep the purchasing power of money in one country nearly enough in line with that in other countries so that significant volumes of goods are not shipped around the world in response to monetary rather than industrial differences. But in the present situation foreign exchanges have not reached equilibrium and the markets for foreign exchanges are not free, so it is possible to make abnormal profits by exporting goods from countries with a lower to those with a higher degree of inflation. Under these conditions—

Unanimously say the members of the Joint Committee on the Economic Report, and I should like to call this particularly to the attention of the Senator from Florida [Mr. PEPPER] and his able assistant from the Legislative Drafting Service—

> Under these conditions trade must be supervised so that goods will move for reasons of foreign policy or economic reasons rather than strictly monetary reasons.

What are we talking about, Mr. President? Here is a document from the Joint Committee on the Economic Report which says in words that cannot be misunderstood that export controls must be imposed and that trade must be supervised. Why, that is precisely the situation with which we are here confronted.

THE GRAY MARKET

Take the case of steel. Mr. President, I have in my hand a statement which was issued on the 12th of September by the distinguished Senator from Pennsylvania [Mr. MARTIN] who is a member of the steel subcommittee of the Senate Small Business Committee.

I applaud the statement of the Senator from Pennsylvania.

> This committee has uncovered a definite gray market in steel. Some industry witnesses who appeared before us early in our hearings twisted and squirmed in an effort to avoid admitting the existence of this gray market. It did them no good. Why they tried the head-in-the-sand technique of the ostrich I do not know.

Why should the gentlemen of the majority now try the head-in-the-sand technique of the ostrich themselves? I do not know.

> I do know, however, that we have sound estimates of well above 2,000,000 tons of steel which have been diverted into the gray market this year. I do know that many small fabricators of steel products have been pushed through the wringer by the pressure of the gray market operators.

And now, Mr. President, we are asked to commit, by act of Congress, the allocation of steel to the very leaders of this industry who, as long ago as September 12, were accused by the Senator from Pennsylvania of sitting by while the gray market was operating.

> We have had men before the committee who testified under oath they were paying an average of $280 to $300 per ton for steel. We had testimony of some cases on the Pacific coast where the price paid was as high as $600 a ton. These prices are outrageous as compared to a legitimate mill price of $75 to $90 at that time. Our staff

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has examined the books of companies substantiating these facts. It is a vicious condition.

This is the condition which has been in existence. I read yesterday or the day before the front page story from *The New York Times* telling of the increasing magnitude of this gray market in steel. And we are asked to turn the control over to these gentlemen.

* * *

I do, however, want to read two paragraphs from the very vigorous, forthright and frank statement by the junior Senator from Pennsylvania [Mr. MARTIN]:

> Those of you who know me, know that I am a strong advocate of the American free enterprise system. I want it to continue and I want it to expand. But I want it to function with proper regard for the public interest. It must not run riot over the prone bodies of the little men in business.
>
> I tell you this frankly. Your Government and your Congress are reluctant to add new disruptions to our free-enterprise system. But if evils like the steel gray market and other abuses which have developed, and similar racketeering in other lines of business do not end, don't be surprised when Uncle Sam moves in as a traffic cop.

* * *

Mr. President, no one can tell me that the heads of the great steel companies of the United States do not know how the gray market is constructed. I for one am not willing by my vote in this body to say to them, "We shall take away from the Secretary of Commerce and from the President of the United States the influential power of the anti-trust laws and let you make your voluntary agreements."

* * *

Mr. BARKLEY. Mr. President, I move to strike section 2 from the joint resolution.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Kentucky that section 2 be stricken out.

Mr. TAFT. Mr. President, before the vote is taken, I wish to offer an amendment to the section the Senator seeks to have stricken out.

The PRESIDENT pro tempore. The motion of the Senator from Ohio will take precedence.

Mr. BARKLEY. Mr. President, I might explain, in just a word, the effect of the amendment I am offering, which would not preclude the Senator from Ohio from offering an amendment to the language of the section.

Yesterday a number of Senators expressed their fear of, and objection to, the provisions of section 2, the section dealing with voluntary agreements, requiring the President to consult. Just what "consult" means, within the language of the section, no one knows, whom he would consult, whether consultation would be complying with the law if he talked with 1 or 40 in any given industry, and so on.

The provisions of the joint resolution in regard to consultation are so vague that I do not see how any President could know exactly what they meant. The President certainly would be the judge of whom he would consult, how many he would consult, and when he would consult them, whether he would do it in private or whether he would call a public meeting in regard to any particular industry or any given product or commodity. The meaning of the language is very vague, and in my judgment the enactment of the section would not facilitate the making of agreements. If the President should call a conference, large or small, and urge upon the participants an agreement along any p .rticular line and they refused, it would be a practical repudiation by private industry of the request of the President to consult and enter into some sort of agreement for allocations, priorities, and so on.

Another objection to the section is that it leaves the door wide open, without any restrictions, except that the President would be required to approve the agreements in order that a relaxation of the anti-trust laws might be brought about.

It has been argued that so long as the President is authorized to approve or disapprove any agreements made, the question whether the anti-trust laws shall be relaxed is entirely within his control, and in a sense that is true, because he might refuse to approve an agreement, otherwise beneficial, on the ground that he did not think the anti-trust laws should be relaxed to the extent provided for in the joint resolution. Yet it would be regarded as an inconsistency on the part of any President to disapprove an agreement because the agreement itself, under the terms

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of the joint resolution, would relax the anti-trust laws.

Therefore we feel that this section of the joint resolution is unworkable and undesirable, and that the joint resolution should be stripped down, in effect, to the two proposals recommended by the President and which have been accepted on the part of the committee, the proposal for extending the two acts which will expire on the 28th day of February, the one with respect to export controls, the other with respect to the allocation of transportation facilities. The amendment I have offered to strike out section 2 would practically have that effect.

Mr. TAFT. Mr. President, I have offered an amendment which is at the desk.

Mr. O'MAHONEY. Mr. President, will the Senator from Kentucky yield before he takes his seat?

Mr. BARKLEY. I yield to the Senator from Wyoming.

MONOPOLY

Mr. O'MAHONEY. I desired to ask the Senator from Kentucky if he did not agree with me that the language of the measure as it now stands would have the effect, as he says, of relieving all those who sign an agreement from the operation of the anti-trust laws.

Mr. BARKLEY. Yes.

Mr. O'MAHONEY. With respect to any matter that is within the agreement.

Mr. BARKLEY. Within the scope of the agreement.

Mr. O'MAHONEY. Would it not have the positive effect of releasing from the Clayton Act, from the Robinson-Patman Act, and from all the other anti-trust laws, any firm, corporation or individual now under a cease and desist order from the Federal Trade Commission, or under the judgment of any decree that has been made by any court with respect to any matter which might come up within such an agreement?

Mr. BARKLEY. Undoubtedly it would relieve those who are under any such process. It might also operate as an inducement for certain concerns to get in under the tent so they would be relieved of the Clayton Act and all the other anti-trust laws, by merely joining in the agreement, which would then be put before the President, for him to approve or disapprove.

Mr. O'MAHONEY. I should like to call attention to the fact that one of the provisions of the anti-trust law gives a private litigant who has been damaged by any act in restraint of trade the right to sue in the Federal courts. Would not the effect of this language be to kill the right to bring a private suit with respect to any such agreement?

Mr. BARKLEY. It would take away from any aggrieved person the right to institute a civil proceeding to right any wrong he felt he had suffered on account of a violation of the anti-trust law, as well as at the same time relieving the guilty concern of any public prosecution on the part of the Government.

Mr. O'MAHONEY. Finally, would it not have the effect of dividing businesses of this country into two categories? First those who enter into an agreement would be freed from the operation of the anti-trust laws, and those who are not brought into the agreement would be under the anti-trust laws?

Mr. BARKLEY. Undoubtedly. It is conceivable that two concerns on opposite sides of the street in the same city, one of which had become party to an agreement, the other of which had not, would be put upon an unequal basis. The one on one side of the street, that entered the agreement, would be free from any prosecution or the institution of any civil action, while the one on the other side of the street would be subject to all the penalties of the law, by reason of the fact that he had not become a party to the agreement.

Mr. LANGER, Republican, of North Dakota. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LANGER. Is it not true that some of the very cases the Federal Trade Commission is now considering might result in moot decisions?

Mr. BARKLEY. They would certainly be suspended. The Commission could take no further action so long as this provision continued in effect.

Mr. MORSE, Republican, of Oregon. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MORSE. I merely want to say to the Senator from Kentucky that I intend to sup-

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port his amendment to strike section 2, for the following three reasons: First, I am perfectly satisfied on the basis of the information I have already received in my office that large numbers of American businesses and a great number of American industrialists are very much opposed to this section of the joint resolution. They will be found within the automobile industry, within the farm-machinery industry, and within a great many fabricating industries dealing with steel products. They are opposed to this section, because, as they state to me, it would play directly into the hands of the already too powerful monopolistic interests of the country. I certainly do not think we can justify relaxing laws which were passed by the Congress to protect the free-enterprise system. Incidentally, it is my party, the Republican Party, that has made a great record to date in passing anti-trust laws. Why endanger them now as a party policy? I do not think we have any justification for granting such tremendous power to any business combine as is proposed to be given to monopolists by this alleged voluntary-agreement section of this resolution. This section, which in reality permits of the setting aside of the anti-trust laws, will give competitive advantage to those favored by big-business combines, such as the steel companies. They can invoke arbitrary discriminatory practices against large segments of American industry. I am somewhat at a loss to understand how any Senator, devoted to the ideal of a free-enterprise system and to keeping the channels of competition open, can go along with this section of the bill. I do not think we have stopped to consider fully the legal implications of the section. The Senator from Wyoming just now pointed out a very vital legal point, which indicates clearly the discriminatory practices which would be legalized by this section of the resolution.

In the second place, I am opposed to it because, to all intents and purposes, it passes the political buck to the President of the United States. I do not approve of playing partisan politics with the inflation crisis which is visiting such suffering upon the American people.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield.

Mr. TAFT. It is a strange thing, then, that

Hutton in *The Philadelphia Inquirer*

"At Least the Cop Should Speak More Firmly"

within the last few days the largest automobile companies—General Motors and Chrysler—have been opposing this bill, because they think it will enable the President to pass the buck to them. They are the monopolists to which the Senator is referring.

Mr. MORSE. The Senator from Ohio is entirely wrong. I am not charging General Motors or Chrysler with being monopolies.

Mr. TAFT. No; but the Senator said the provision would play into the hands of the large monopolistic elements of industry.

Mr. MORSE. That is exactly right, too.

Mr. TAFT. General Motors and Chrysler are not monopolies, but they are the largest elements in the industry.

Mr. MORSE. To a large extent the provision would play into the hands of powerful monopolists in this country that today control the distribution of steel, and it would put into their hands a power which I do not think it is safe to give them.

Mr. TAFT. If I may so suggest, it seems to me the objection which is made that we should not authorize the making of an agreement

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between the Government and an industry because somebody is going to be "put on the spot," is the weakest kind of argument against such an approach. That is the way they ought to operate. Government and industry ought to get together and ought to be authorized to make any reasonable agreement to carry out perfectly proper purposes approved by the President. I cannot understand the argument that because they are authorized to meet together, somebody is going to be "put on the spot." We do not care whether anybody is "put on the spot" or not. The question is whether desirable results could be obtained.

Mr. MORSE. Mr. President——

The PRESIDENT pro tempore. The Senator from Kentucky has the floor.

Mr. BARKLEY. I yield to the Senator from Oregon.

REPUBLICANS REVERSE

Mr. MORSE. Mr. President, I am at a complete loss to understand the reasoning of the Senator from Ohio [Mr. TAFT] on this point, because I submit there is only one logical result to be reached by pressing his argument, and that is that we ought to give American monopolies the power to enter into agreements in restraint of trade. That is the net effect of the argument. I shall not be a party to such a program as that. At the present time what we ought to be doing, instead of adopting such a section as this, is tripling appropriations for the enforcement of the anti-trust laws. That would be an inflation check with teeth in it. The point I want to make is that I think the program for the allocation and distribution of materials ought to be under a Government policy and legislative program. It should not be determined on the basis of alleged "voluntary agreements" entered into by the existing monopolistic combines that have caused such concern today in the automobile industry as to what is going to happen to that industry if the section proposed by the Senator from Ohio is adopted by the Congress of the United States. Also the farmers of America have great cause to be concerned over the implications of this section. The allocation and distribution of steel is vital to the production of farm machinery and equipment. The Senator from Ohio [Mr. TAFT] may characterize the argument I have been making by the use of any adjectives that suit his purpose, but I want to say, in characterizing my own argument, that I am arguing for complete support by the Republican Party of the anti-trust laws as they now appear on the statute books. I do not think we, as a great political party, can justify, from the standpoint of the public interest, any relaxation of the anti-trust laws. That is exactly what the proposal of the Senator from Ohio seeks to accomplish. It would have that effect.

I think the effect of the section is to pass the political buck to the President of the United States. That is partisan politics pure and simple and the American people will see through it and disapprove the political strategy. I do not think it can be justified. The allocation of basic materials should be done by the Government in the public interest. We, through legislation, should lay down the specific criteria which ought to govern any relaxation of the anti-trust laws. Unless we do that, I say we cannot justify placing the proposed discretionary power in the President.

The last point I want to make is this: I feel that before we proceed to adopt such a proposal as this, it ought to be subjected to the very careful study of the Judiciary Committee of the Senate for a report on its legal implications. Today we do not have such a study and report. When anyone starts playing and tinkering with the anti-trust laws by way of any proposal that permits of their being set aside to any degree whatsoever by voluntary agreement entered into by monopolists I think we should be informed in detail as to the legal effects of the proposal. As a lawyer, I do not propose to sit here and vote for such a section as this until I can have in front of me a carefully prepared report by the Committee on the Judiciary as to the legal effects of the section. After all, we are dealing with the legal rights of the American people in relation to their right to be protected from monopolies. It is very unlawyerlike for us to adopt this section before we know what legal effects it will have upon pending cases, upon future cases and upon our entire free-enterprise system. It is one thing for the Government in the public interest to allocate basic materials in short supply. It is quite a different thing to

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give such power to business combines. It violates the sound public policy of our anti-trust laws.

* * *

Mr. AIKEN, Republican, of Vermont. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. I should like to have some things made clear. Of course I am opposed to strengthening monopolies at any time. I should like to ask the Senator from Kentucky if in offering his amendment to strike out section 2 of the joint resolution it is his contention that no agreement could be entered into looking to a better distribution of materials without inevitably strengthening monopolies?

Mr. BARKLEY. I will say to the Senator from Vermont that I think it very questionable whether agreements can be entered into between private corporations in regard to allocation of goods or priority in the distribution of goods without to some extent strengthening monopoly. I think the balance between good and evil must be found in such cases. I do not mean to say that it might not be desirable to have some understanding with the manufacturers or distributors of certain commodities with regard to a more equitable distribution, and it may be that an agreement would cover that. But I think the possibility of evil under section 2, which I seek to eliminate, is much greater than the possibility of good that may accrue by reason of it, and having in mind what are the advantages and disadvantages, it seems to me the disadvantages are greater than the advantages resulting from retaining section 2 in the joint resolution.

Mr. AIKEN. I had felt that the section was properly safeguarded, and wanted to be sure of it. I felt it was properly safeguarded by requiring the President to approve such agreements, and I felt that he would not approve any agreement relating to the distribution of materials without the advice and approval of the Department of Justice. If the section is not properly safeguarded I desire to know it.

Mr. BARKLEY. I think it is proper to assume that no President would approve an unconscionable agreement if he knew it to be such. But the trouble about the whole section is that the agreements it contemplates, whether after or without consultation with the President, are put up to him.

I want to say to the Senator from Oregon [Mr. MORSE] that I appreciate his suggestion about putting the President on the spot. None of us want to do that. But far beyond that, I do not want to put the American people on the spot by approving a provision which may result in their damage and their injury, after an agreement has been put up to the President with respect to which he must decide whether it shall go into effect, with all the proposed relaxation of all the anti-trust laws, the Clayton Act, the Federal Trade Act, and all the others, or disapprove it, with the possibility that he will be accused—and we are all human—after consultation with certain elements of business, of having destroyed an agreement in order that he might preserve the anti-trust laws, which would be relaxed in the event the agreement were entered into. So I think the advantages in this section are far less than the disadvantages, if the language is kept in the bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY, I yield.

Mr. TAFT. I think the discussion would be clearer if I were permitted to offer an amendment to perfect the section before further discussion takes place.

Mr. BARKLEY. I have finished what I have to say. The Senator may proceed.

Mr. TAFT. Mr. President, I offer the perfecting amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Ohio will be stated.

The CHIEF CLERK. On page 2, it is proposed to strike out line 25 and lines 1 to 6 on page 3 and insert the following:

> (c) Whenever a governmental officer or agency determines that a plan of voluntary action with respect to any material, commodity, or facility is practicable and is appropriate to the successful carrying out of the policies set forth in said act, that agency or official may request in writing compliance by one or more persons with such plan of voluntary action as may be approved by the Attorney General. Any act or omission by such person or persons in compliance with a written request made pursuant to this section and with a

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Fitzpatrick in the *St. Louis Post-Dispatch*

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voluntary plan promulgated thereunder shall not be the basis at any time for any prosecution or any civil action or any proceeding under the anti-trust laws of the United States or the Federal Trade Commission Act.

(d) Such written request may, in the discretion of the governmental officer or agency which made the request, be withdrawn at any time by said governmental officer or agency, by written notice from said governmental officer or agency of such withdrawal to the Attorney General, and after publication of notice of such withdrawal in the Federal Register as provided in subsection (c), the provisions of this act shall not apply to any subsequent act or omission by reason of such request or voluntary plan.

(e) The Attorney General shall transmit to the President pro tempore of the Senate and to the Speaker of the House of Representatives, and shall order published in the Federal Register every such request, and any withdrawal thereof, and any plan, program, or other arrangements promulgated under, or which is the basis of, any such request.

(f) The power to make requests conferred by this act shall expire upon expiration of section 3 of this act, and any requests made and voluntary plans adopted under this act shall have no force or effect 6 months thereafter.

Mr. TAFT. Mr. President, what this amendment does is to substitute for paragraph (c) of section 2, at the bottom of page 2 and top of page 3, the provisions of the Harriman bill submitted by the Department of Commerce, dealing with the subject of anti-trust legislation. I think there can be no objection to making that substitution. After that I should like to argue the general question raised by the amendment of the Senator from Kentucky.

Mr. BARKLEY. Mr. President, the language offered by the Senator from Ohio, which is taken from a part of the so-called Harriman bill, is an improvement over the language of the joint resolution, but it is not the language of the Harriman bill as it was submitted. The Harriman bill provided for mandatory controls on the part of the President, and provided also for certain relaxations in the anti-trust laws where the President had exercised such mandatory control.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The only change made is this: The Harriman bill read in this way: "Whenever a governmental officer or agency which is authorized to and could exercise mandatory power determines that a plan of voluntary action is necessary and desirable," then the anti-trust law is suspended. The only difference is that the Harriman bill in other sections provided for mandatory control, and then provided, with respect to any field where the power was given, even though it was not exercised, that a voluntary agreement could be entered into, suspending the anti-trust laws. So I think I am making a fair statement in saying that, so far as voluntary agreements are concerned, this is an exact copy of what Secretary Harriman's bill provided.

Mr. BARKLEY. That is correct; but the impression that is likely to be left by the Senator's statement of a moment ago is that the language which he offers taken from the Harriman bill is the whole story of the Harriman recommendations.

Mr. TAFT. No. I do not wish to leave that impression. I am simply applying to this measure the same provision with respect to exemption from the anti-trust laws that Secretary Harriman applied to voluntary agreements in his bill. Of course his bill also imposed general mandatory powers.

Mr. BARKLEY. The bill authorized the President to designate the agency or departments for the exercise of such mandatory power and control. This language simply says that when any department decides that there is a field in which voluntary agreements might operate, this language shall apply; but the Harriman bill did not eliminate the over-all mandatory control power given to the President of the United States, which he might delegate to some department or agency which he might name.

Mr. TAFT. In any event, as I understand, the Senator has no objection to my substituting this language.

Mr. BARKLEY. No. I think the suggested language is an improvement over that now contained in the joint resolution. Nevertheless, with that language in, I still wish to maintain my position as to the elimination of section 2 as it will thus be amended.

* * *

. . . Mr. BARKLEY's motion to strike out section 2, as amended, was rejected.

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FORUM FEATURES

With "American Civil Rights in A Revolutionary Age—I. Ideological Background" by Ellen D. Ellis, FORUM begins a new series on one of the crucial issues of our time. The second article will deal with civil rights and Congressional investigations and the third, the problem of loyalty. This problem has been met with hysteria rather than rational analysis. By setting it in its proper perspective, FORUM hopes to cast some light on an otherwise murky subject.

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A native of China, Mr. Park returned there this past summer, at his own expense, and as special correspondent for CURRENT HISTORY.

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No-yong Park is a Visiting Professor of Far Eastern Affairs at the University of Kentucky and a special lecturer on Oriental Problems at the Institutes of International Understanding under the auspices of Rotary International. He is the author of *Making A New China, An Oriental View of American Civilization, Retreat of the West,* and *The White Man's Peace.*

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